

Trade of the United States with U. S. S. R. (Russia) during March 1940, by principal commodities—Continued

	Quantities	Dollars
Total imports for consumption.....		962,222
Persian lamb furs, undressed.....number.....	21,926	83,560
Marten furs, undressed.....do.....	1,915	46,632
Plates, mats, etc., of squirrel skins.....do.....		87,462
Cigarette leaf, unstemmed.....pounds.....	120,104	62,023
Manganese ore (gross).....do.....	81,412,824	533,215

Prepared by Division of Foreign Trade Statistics, Bureau of Foreign and Domestic Commerce, Department of Commerce, May 1, 1940.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

He also, from the Committee on Appropriations, reported favorably the nomination of Carl W. Smith, of Washington, to be Work Projects Administrator for Washington.

Mr. WHEELER, from the Committee on Interstate Commerce, reported favorably the following nominations:

John Monroe Johnson, of South Carolina, to be an Interstate Commerce Commissioner for a term expiring December 31, 1941, vice Marion M. Caskie;

Edward H. Davidson, of New Jersey, to be assistant chief inspector of locomotive boilers in the Interstate Commerce Commission, vice John Brodie Brown; and

Clyde L. Seavey, of California, to be a member of the Federal Power Commission for the term expiring June 22, 1945 (reappointment).

Mr. REED, from the Committee on Interstate Commerce, reported favorably the nomination of W. A. Ayres, of Kansas, to be a Federal Trade Commissioner for a term of 7 years from September 26, 1940 (reappointment).

The PRESIDING OFFICER (Mr. MINTON in the chair). If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar.

THE JUDICIARY

The legislative clerk read the nomination of Herbert F. Goodrich to be judge for the third circuit, United States Circuit Court of Appeals.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc.

IN THE ARMY

The legislative clerk proceeded to read sundry nominations in the Army.

Mr. SHEPPARD. I ask that the nominations in the Army be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations in the Army are confirmed en bloc.

RECESS

Mr. BARKLEY. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 30 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, May 8, 1940, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 7 (legislative day of April 24) 1940

UNITED STATES CIRCUIT COURT OF APPEALS

Herbert F. Goodrich to be a judge of the United States Circuit Court of Appeals for the Third Circuit.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY

Capt. Samuel Wayne Smithers to Quartermaster Corps.
Capt. Paul William Shumate to Ordnance Department.
First Lt. Edward Bodeau to Ordnance Department.
First Lt. Floyd Allen Hansen to Ordnance Department.
Capt. William Henry Shimonek to Chemical Warfare Service.

PROMOTIONS IN THE REGULAR ARMY

Henry Winston Holt to be major, Field Artillery.

John Magruder Bethel to be major, Cavalry.

POSTMASTERS

CONNECTICUT

E. Allan Measom, Southport.

FLORIDA

Edward R. McKenna, Palm Beach.

IOWA

Anna L. Meyer, Everly.

Thelma Allen, Harris.

Violet A. Shirk, Linn Grove.

Nellie C. Burk, Milford.

Charles W. Tigges, Sutherland.

KENTUCKY

Charles L. Hollingsworth, Smithland.

LOUISIANA

Inez McDaniel, Hackberry.

NEVADA

James Lester Denton, Caliente.

NEW MEXICO

Alline B. Johnson, Loving.

PENNSYLVANIA

Edward M. Hirsch, Tamaqua.

HOUSE OF REPRESENTATIVES

TUESDAY, MAY 7, 1940

The House met at 12 o'clock noon and was called to order by the Speaker.

The Reverend Stewart M. Robinson, D. D., pastor of Second Presbyterian Church, of Elizabeth, N. J., offered the following prayer:

Almighty God, Thou hast granted human government for the welfare and happiness of mankind. Bless now these Thy servants gathered here transacting important business of this great Nation. Endue us all with the true sense of Thy majesty and Thy glory. Use us fruitfully in Thy service, for we ask it all through the merits and the grace of our Lord, Jesus Christ. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 62. Concurrent resolution to provide for printing additional copies of hearings held by the Committee on Appropriations.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 8745) entitled "An act making appropriations for the Department of the Interior for the fiscal year ending June 30, 1941, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HAYDEN, Mr. McKELLAR, Mr. THOMAS of Oklahoma, Mr. ADAMS, Mr. BANKHEAD, Mr. NYE, and Mr. HOLMAN to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to

the bill (H. R. 6264) entitled "An act authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes."

PERMISSION TO ADDRESS THE HOUSE

Mr. FITZPATRICK. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. FITZPATRICK]?

There was no objection.

Mr. FITZPATRICK. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks and to include therein an amendment I offered to the Social Security Act.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. FITZPATRICK]?

There was no objection.

Mr. FITZPATRICK. Mr. Speaker, on January 3, 1939, I introduced an amendment to the Social Security Act to provide for the payment of benefits to permanently and totally disabled individuals.

On March 7, 1939, I appeared before the House Ways and Means Committee requesting them to report my amendment favorably. I understand that the Social Security Board favors this amendment.

This morning's papers carried a story that Senator WAGNER, of New York, had introduced a similar bill in the Senate to provide for the payment of benefits to permanently and totally disabled persons who come under the Social Security Act, before they reach the age of 65. The papers quoted him as stating that such a provision should have been included in the original bill.

I would appreciate it very much if the Ways and Means Committee would make a favorable report on my amendment as I consider it very important to persons who would benefit by its enactment into law. [Applause.]

H. R. 42

A bill to amend the Social Security Act so as to provide for the payment of benefits to permanently and totally disabled individuals

Be it enacted, etc., That the title heading of title II of the Social Security Act is amended to read as follows:

"TITLE II—FEDERAL OLD-AGE BENEFITS AND DISABILITY BENEFITS"

Sec. 2. Such title II is amended by adding after section 202 the following new section:

"DISABILITY BENEFITS"

"Sec. 202½. (a) Every individual who becomes permanently and totally disabled shall be entitled to receive, with respect to the period beginning on the date he becomes so disabled and ending on the date of his death, a disability benefit (payable as nearly as practicable in equal monthly installments) equal to the old-age benefit he would have been entitled to receive under section 202 if he had attained the age of 65 on the date he became so disabled, but in no such case shall the monthly rate of payment be less than \$60.

"(b) Whenever the Board finds that any individual has received wages with respect to regular employment after becoming permanently and totally disabled the payments to such individual under this section shall be reduced for each calendar month in any part of which such regular employment occurred by an amount equal to one month's payment. Such reduction shall be made under regulations prescribed by the Board by deductions from one or more payments to such individual provided for by this section.

"(c) Benefits payable pursuant to this section shall be in lieu of any old-age benefit that would be payable to the same individual with respect to the same period."

Sec. 3. (a) Section 203 of such title II is amended to read as follows:

"Sec. 203. (a) If any individual dies before attaining the age of 65 and before any benefit becomes payable to such individual under section 202½, there shall be paid to his estate an amount equal to 3½ percent of the total wages determined by the Board to have been paid to him, with respect to employment after December 31, 1936.

"(b) If the Board finds that the correct amount of the benefits payable to an individual during his life under sections 202 and 202½ was less than 3½ percent of the total wages by which such benefits were measurable, then there shall be paid to his estate a sum equal to the amount, if any, by which such 3½ percent exceeds the amount (whether more or less than the correct amount) paid to him during his life under sections 202 and 202½.

"(c) If the Board finds that the total amount paid to an individual during his life under sections 202 and 202½ was less than the correct amount of the benefits to which he was entitled under such sections and that the correct amount of the benefits to which he was so entitled was 3½ percent or more of the total

wages by which such benefits were measurable, then there shall be paid to his estate a sum equal to the amount, if any, by which the correct amount of the benefits payable to him under such sections exceeds the amount which was so paid to him during his life."

(b) Section 206 of such title II is amended to read as follows: "Sec. 206. If the Board finds that the total amount paid to an individual during his life under sections 202 and 202½ was more than the correct amount of the benefits to which he was entitled under such sections, and was 3½ percent or more of the total wages by which the benefits under such sections were measurable, then upon his death there shall be repaid to the United States by his estate the amount, if any, by which such total payment paid to him during his life exceeds whichever of the following is the greater: (1) Such 3½ percent, or (2) the correct amount to which he was entitled under sections 202 and 202½."

STATEMENT BY HON. JAMES M. FITZPATRICK, OF NEW YORK, BEFORE HOUSE WAYS AND MEANS COMMITTEE MARCH 7, 1939

Mr. Chairman, on January 3 I introduced a bill to amend the Social Security Act, which provides that if any working person who comes under the Social Security Act becomes totally and permanently disabled he will receive compensation beginning on the date of his disability, and in no case shall any person coming under this amendment receive less than \$60 per month.

Under the Social Security Act at the present time a disabled worker cannot receive any compensation until he reaches the age of 65. In other words, if a married man 40 or 50 years of age becomes totally disabled he or his family does not receive any aid whatsoever under the provisions of the present act until he reaches the age of 65.

The President recommended that the act should be amended so as to take care of widows and orphans, with which I heartily agree. However, I think it is just as important, if not more so, that a man who becomes totally disabled should be provided for, especially where he has a wife and family.

There is nothing further that I can say on this question, as I feel confident that your committee fully realize the conditions where a person would be totally and permanently disabled, and under the present act could receive no pension until he reaches the age of 65.

Therefore, I ask your committee to accept my amendment, which I feel would be only justice to those workers who come under the act and who would become totally and permanently disabled before they reach the age of 65.

EXTENSION OF REMARKS

Mr. RABAUT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a short editorial from the Times-Herald of Washington.

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. RABAUT]?

There was no objection.

Mr. THOMASON. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks in the RECORD and to include therein an address by Mr. Harry C. Bates, of the A. F. of L. housing committee.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. THOMASON]?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. BUCKLER of Minnesota. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota [Mr. BUCKLER]?

There was no objection.

Mr. BUCKLER of Minnesota. Mr. Speaker, the Red Lake Band of Indians in Minnesota has \$405,000 in the Treasury of the United States that they have laid up out of their timber funds. I have just received a letter this morning from one of my constituents in Minnesota stating that the Indian families up there are in desperate circumstances. He states that all they have had to eat in a great many cases is fish. He wants me to name somebody to go over the Indian reservation and verify what he says concerning these Indians.

I have a bill to provide a per capita payment of \$12.50 to the Red Lake Indians. This bill came up on the floor yesterday. Although the money, only about \$25,000, comes out of their own tribal funds, it was objected to by the gentleman from Michigan [Mr. WOLCOTT]. I cannot believe that the Congressman is acquainted with the sorry plight of these Indians, or he surely would not have objected to this small payment of their own money. I cannot understand why they should suffer when they have money on deposit with the Government.

My purpose in asking for this time is to acquaint the membership of the House concerning the situation of the Indians on the Red Lake Indian Reservation.

We collect money to feed the starving and hungry people in Europe, for which I certainly have no criticism. However, why should our own Americans, the Indians, be permitted to go hungry while they have money of their own in the United States Treasury?

I hope we can find some method to approve this small authorization of but \$12.50 per enrolled Indian, and I hope some of the Members here might prevail on the gentleman from Michigan [Mr. Wolcott] to withdraw his objections. If not, I hope there is some other way to get this worthy measure approved by the House.

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. SMITH of Illinois. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD and to include therein an address I gave in the city of Chicago recently.

The SPEAKER. Is there objection to the request of the gentleman from Illinois [Mr. SMITH]?

There was no objection.

Mr. ELLIOTT. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks in the RECORD and to include therein an article appearing in the Chicago Tribune of May 2, 1940.

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. ELLIOTT]?

There was no objection.

Mr. SPRINGER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a brief editorial appearing in the Bloch newspapers on the Logan-Walter bill.

The SPEAKER. Is there objection to the request of the gentleman from Indiana [Mr. SPRINGER]?

There was no objection.

Mr. ANGELL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a short letter and an excerpt from a newspaper on the W. P. A.

The SPEAKER. Is there objection to the request of the gentleman from Oregon [Mr. ANGELL]?

There was no objection.

Mr. BENDER asked and was given permission to extend his own remarks in the RECORD.

PERMISSION TO ADDRESS THE HOUSE

Mr. JENSEN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Iowa [Mr. JENSEN]?

There was no objection.

Mr. JENSEN. Mr. Speaker, the reorganization of the Civil Aeronautics Authority provides that budgetary and personnel functions must be performed under the direction of the Secretary of Commerce.

Faced with overwhelming criticism, the Budget Bureau now says that this will not prevent the Authority from appointing its own personnel.

Of course, it will not. But the Budget Bureau told only half the story. The C. A. A. can appoint its own personnel, but the power to do so will be subject to the direction and supervision of the Secretary of Commerce. Those are the very words of the reorganization plan, and the Budget Bureau does not deny it.

The way to keep the C. A. A. independent is to keep it out of the Department of Commerce. [Applause.]

[Here the gavel fell.]

Mr. SABATH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SABATH. Mr. Speaker, I am more than satisfied that not a single Member of this body gives any serious credence to the statements and letters that the gentleman from Montana puts in the RECORD day after day. Nevertheless, I feel it my duty to give notice that tomorrow I shall ask that the RECORD of yesterday be corrected, in that—

Mr. HOFFMAN. Mr. Speaker, a point of order.

Mr. JENSEN. Mr. Speaker, will the gentleman yield?

Mr. SABATH. No, I cannot; I have only a minute.

I now give notice that I shall tomorrow ask that yesterday's RECORD be corrected to show that after a point of order was made that there was no quorum and after adjournment was ordered the gentleman from Montana [Mr. THORKE] inserted about 31 typed pages of manuscript in the RECORD, which matters were not spoken of on the floor of the House.

Mr. TABER. Mr. Speaker, will the gentleman yield for a question? What page does the gentleman refer to?

Mr. SABATH. Beginning at 5630.

Mr. HOFFMAN. Mr. Speaker, my point of order was that the words of the gentleman were out of order. They are a violation of the rules of the House. I ask that those words referring to alleged outrageously false statements that were being put into the RECORD by the gentleman from Montana be taken down.

The SPEAKER. The Clerk will report the words to which the gentleman from Michigan objected.

Mr. RANKIN. Mr. Speaker—

The SPEAKER. Nothing is in order until the words have been reported.

The Clerk read as follows:

I am more than satisfied that there is not a single Member of this body that pays any attention to the inserts and the outrageously false statements and letters that the gentleman from Montana puts in the RECORD day in and day out.

Mr. SABATH. Mr. Speaker, with a view to shortening the procedure, I am willing to withdraw the words "outrageously false," as I have given notice I shall take up the matter of correcting the RECORD in connection with the gentleman's remarks in the RECORD of yesterday.

The SPEAKER. The gentleman from Illinois asks unanimous consent to withdraw from the RECORD the words taken down, particularly the words "outrageously false statements," and so forth. Is there objection?

Mr. TABER. Mr. Speaker, reserving the right to object, if the gentleman had made the statement that he would withdraw it, I would consent; but he said some other words, which I think he should now withdraw, with reference to substantiation. If he would withdraw those words, I would consent to it.

Mr. SABATH. All right; I withdraw it for the day.

The SPEAKER. The Chair recognizes the gentleman from Illinois to withdraw the words.

Mr. SABATH. I withdraw them, Mr. Speaker.

ORDER OF BUSINESS

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

We have a very busy day, and a matter is coming up that I think all the Members of the House should be apprised of, and that is, first, the resolution of the gentleman from California [Mr. LEA] with reference to the fourth reorganization order of the President. This being true, I shall object to any other unanimous-consent requests at the present time, and I make the point of order there is no quorum present, in order that all Members may be here.

The SPEAKER. The gentleman from Texas makes the point of order there is not a quorum present. The Chair is of the opinion there is not a quorum present.

Mr. COOPER. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, when the following Members failed to answer to their names:

[Roll No. 96]

Allen, Ill.	Arnold	Boehne	Byron
Allen, Pa.	Barden, N. C.	Bradley, Pa.	Clark
Andrews	Bates, Mass.	Byrne, N. Y.	Claypool

Coffee, Wash.	Horton	Merritt	Shafer, Mich.
Cole, Md.	Houston	Mitchell	Shannon
Corbett	Jarman	Myers	Sheridan
Crowe	Jenks, N. H.	Nelson	Smith, Ohio
Darrow	Johns	Norton	Smith, Va.
Dunn	Johnson, Lyndon	O'Brien	Starnes, Ala.
Durham	Jones, Ohio	Osmer	Steagall
Englebright	Kennedy, Md.	Patrick	Stearns, N. H.
Gilchrist	Kirwan	Peterson, Fla.	Sweeney
Gillie	Knutson	Randolph	Taylor
Grant, Ind.	Landis	Rogers, Okla.	Ward
Green	Lewis, Ohio	Sandager	Weaver
Harness	McGranery	Sasser	Wheelchel
Hendricks	Martin, Ill.	Schulte	
Holmes	Mason	Seger	

The SPEAKER. On this roll 360 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

The motion was agreed to.

REORGANIZATION PLAN NO. IV, CIVIL AERONAUTICS AUTHORITY

Mr. LEA. Mr. Speaker, I move to discharge the Select Committee on Government Organization from further consideration of House Concurrent Resolution 60.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

House Concurrent Resolution 60

Resolved by the House of Representatives (the Senate concurring), That the Congress does not favor the Reorganization Plan No. IV transmitted to Congress by the President on April 11, 1940.

Mr. COCHRAN. Mr. Speaker, the majority members of the Select Committee on Organization are in accord with the gentleman from California, and I ask unanimous consent that the motion of the gentleman from California to discharge the select committee be considered as having been agreed to.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. LEA. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of House Concurrent Resolution 60, and pending that I ask unanimous consent that debate on said concurrent resolution be limited to 3 hours, the time to be equally divided and controlled by the gentleman from Missouri [Mr. COCHRAN] and the gentleman from New York [Mr. TABER], and that the final vote on the concurrent resolution be taken on Wednesday.

The SPEAKER. The gentleman from California moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of House Concurrent Resolution 60. Pending that he asks unanimous consent that debate be limited to 3 hours, the time to be equally controlled by the gentleman from Missouri [Mr. COCHRAN] and the gentleman from New York [Mr. TABER], and that the final vote be taken Wednesday. Is there objection?

There was no objection.

The SPEAKER. The question now is on the motion of the gentleman from California that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of House Concurrent Resolution 60.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of House Concurrent Resolution 60, with Mr. ROMJUE in the chair.

The Clerk again reported the resolution.

Mr. TABER. Mr. Chairman, I yield 15 minutes to the gentleman from California [Mr. LEA].

Mr. LEA. Mr. Chairman, by the Reorganization Act passed last year Congress delegated to the President the right to reorganize and transfer numerous governmental agencies. Congress retained the right to disapprove of the orders of the President by a majority vote of each House within 60 days after an order of reorganization.

On the 11th of April the President made an order proposing to transfer to the Department of Commerce the Civil

Aeronautics Authority, which for 2 years has had charge of governmental regulation and promotion of aircraft activities. The Presidential order proposed to place the Civil Aeronautics Authority within the framework of the Department of Commerce. It stated:

I am bringing the Authority into the departmental structure. The Administrator will report to the Secretary of Commerce. The five-member Board, however, will perform its rule-making, adjudicative, and investigation functions independent of the Department. * * * that it will be supplied with budgeting, accounting, procurement, and other office services. * * *

The name of the Authority is to be changed, and it is to be designated as the Civil Aeronautics Board. It said the—

Board will be able effectively to carry forward the important work of accident investigation heretofore performed by the Air Safety Board.

The independent Safety Board is abolished.

The residuary or catch-all provision of the order states that, except as otherwise authorized, the function of the head of the agency transferred "shall be exercised by the head" of the agency to which the function is transferred.

The Civil Aeronautics Act of 1938 was the culmination of a fight to lift aviation out of its unfortunate Government setting and place it on a basis of efficient stabilized regulation. This result was accomplished after a 2-year fight against Government departmental interference, with legislative action by Congress. Each department concerned was determined on continuing its improvident control divided among several agencies of the Government. The fight for the Civil Aeronautics Act was to correct demonstrated evils in the administration of civil aviation.

The old set-up of aviation was a divided Authority—political domination, improvident regulation, constant changes, resulting in instability and an appalling record of fatal accidents to pilots and passengers.

All great air lines were in the red. Financing was drying up. We passed the Civil Aeronautics Act just in time to prevent several American air lines from folding up and passing out of the picture. In the last year \$25,000,000 have been invested in commercial air equipment.

One major thing accomplished by the Civil Aeronautics Act, was to take various phases of aviation out of departmental control and place them within the regulation of an independent agency. Another great purpose was to establish an independent safety board to investigate accidents and promote air safety. The need of an independent group for this purpose was demonstrated beyond question. The lack of it was a fatal mistake in the old set-up. A fundamental purpose was to destroy a system of self-investigation under which the agencies in control were in a position to whitewash accidents for which they might be responsible. In other words we transferred the function from a self-investigation agency to one of independent action. It could fearlessly investigate where the Authority itself might be responsible for neglects, or regulations, against safety. The members of the Safety Board were placed in position to fix responsibility without the danger of losing their own jobs.

Under the set-up of this act aviation was lifted out of the doldrums, and has written the brightest record of accomplishment that the world has so far known in civil aviation. That record is the most unquestioned achievement of any agency of the Government established during the last 7 years.

The American people are a sensible people. They are going to judge this agency by results. They are not going to drop the bone for the shadow in the river.

The bureau system of administration is necessary in executive affairs of the Government, but that system has no rightful place in the regulatory agencies that should be independent. The bureau set-up is pretty much a buck-passing form of organization with responsible irresponsibility in unseen control.

A subordinate status under a system of bureau operation does not fit into our great regulatory agencies, such as the Interstate Commerce Commission, the Federal Trade, the Federal Power, the Federal Communications, and the Securi-

ties and Exchange Commissions. Proper administration of these Commissions require men of ability, courage, fairness, intelligence, and freedom from political influences. It is hopeless to expect them to function properly if they are to be handicapped by dominating influences, less familiar and less interested in the success of their work.

The proposed plan of reorganization tends to mutilate the Civil Aeronautics Authority. From an important independent agency, it is to become a board under a political organization of the Government.

The agencies created by Congress to perform quasi-legislative and quasi-judicial functions should be independent of the executive department. They should not be under a control that lacks understanding or sympathy or under the control of those who have many other duties, unrelated to such agency.

The Safety Board, with its independent investigative authority, is to be abolished, and the Board given authority to investigate the mistakes for which it may be responsible. The self-investigating system is to be restored.

Here we have a question of fundamental policy as to the status of our important regulatory agencies. This reorganization would make an innovation that might easily develop into a very unfortunate national policy. It would be our first destruction of the independence of an important regulatory agency. Once make these agencies subservient to administrative and politically controlled departments of government, and that subservience will grow like creeping paralysis. All or none of the independent agencies should be treated alike. All should remain independent, or all should, alike, be made subservient to the executive departments.

Do not start on this course unless you are willing to go the whole way.

The questions involved are not ones of personality or temporary expediency or of the men who may happen to be in temporary administrative control, but it is the great question of providing this vital aviation industry, which has such an important relation to the future of our country, with an efficient and stabilized basis of regulation.

I raise no question about the good intentions involved in this proposed change. When the history of aviation in this country finally shall have been written, it must contain four or five chapters covering long periods showing the dark side of the picture due to the well-intentioned but improvident attitude of governmental authorities. Out of the experience of the past we should avoid repetition of mistakes.

The advocates of this transfer are driven to the exigencies of trying to belittle this organization because of those natural difficulties that a new organization develops before it can reach a smooth-running status. Trivial incidents are to be magnified in attempt to justify this transfer. Somebody had a quarrel, some W. P. A. budget funds were used to help air fields, therefore transfer of the agency. Human frailty can never be eliminated from any of our enterprises.

I am satisfied that the reasons asserted for the change are theoretical, inconsequential, and ignore the important problems with which aviation deals.

Transfer this responsibility to a new agency and you repeat the necessity of readjusting by experiences to the new set-up.

The reorganization order, in my judgment, violates the first principles of practical reorganization. The motive to justify reorganization should be to correct established mistakes and improve the service. The order reducing this type of agency to a bureau in an executive department promises little of improvement and menaces the morale of the regulatory body, of the pilots who operate the planes, and discourages the financing of air lines. The instability resulting from the change creates apprehension in the minds of the friends of aviation everywhere.

The limited group of air pilots, before regulation was taken over by the Civil Aeronautics Authority, contributed 146 lives of their limited number to air navigation. The remarkable safety record under the new set-up is an inspiration to them. Any threat of impairment by return to the old conditions

distresses them. The Civil Aeronautics Authority had to assemble the personnel of its large group and go through the grief that accompanies an inexperienced organization in its initial stages. It has gone through this initial period with remarkable success. It can function with the advantage of experience and a smooth-running organization. In actual practice it has established its right to continue its work and to receive the acclaim of the American people.

Civil aviation needs stability of policy and continuity in administration of its affairs. Executive departments are under centralized control with one man above another until finally the chain of authority reaches the President of the United States. All the way up the line the idiosyncracies, policies, and frailties of the individuals are reflected in the information that reaches the President. In that line of authority is concealed the influences that frequently dominate administrative organizations.

Under the Civil Aeronautics Authority we know who is doing the job, who is responsible.

Past experiences tend to demonstrate the failure of the plan here proposed.

Under the original set-up of the Interstate Commerce Commission the appointment and compensation of its employees were made subject to the approval of the Secretary of the Interior. It was further provided that the Secretary should supply the Commission with offices and facilities, and that its reports should be made to the Secretary of the Interior.

After some practical experience in this intermixing of the Commission with the Department, the Secretary of the Interior found that the control given him was unworkable and undesirable. In his annual report of 1888 he described this control as "invidious and irksome." He stated he could not perform the duties assigned to him as satisfactorily as an independent commission, and that his duty was "disparaging of the character of the Commission."

Who can for one moment distrust the wisdom of the Secretary of the Interior under those circumstances? How can a great important regulatory agency of the Government, with a fine record of success, lose its independent identity, be merged in a political department of the Government, be required to make its report to that department, and have its budgeting, accounting, procurement of supplies, and other office services performed by that department without the disparagement of its character as an independent commission of the Government?

After this experience and wise advice from the Secretary of the Interior, Congress in 1889 made the Interstate Commerce Commission completely independent, and under that independence it has established its reputation as a great and respected regulatory agency of the Federal Government. It has attained its place by having the opportunity to work independently, thoroughly, and with judicial fairness, without political domination.

In a study of independent agencies made for the Brownwell Committee on Administrative Management, it was said:

To put a commission in a department that has nothing to do with its work would obstruct rather than aid effective over-all management. The Commission would suffer from the type of neglect that springs from indifference or neglect. It would be merely a cog in a big machine.

Congress must accept responsibility for what is done in this matter. I believe it is its duty to now exercise the authority that it properly reserved to itself of disapproving the Executive order which would make possible this backward step in the regulation of air commerce.

Civil aviation is the foundation on which military defense by air must largely rest. At this critical time of the history of the world we cannot afford to experiment with an agency whose efficiency is demonstrated beyond all reasonable doubt.

This problem rises above the question of mere politics. Partisan appeals on one side of the aisle or the other may be made here today. The highest approval we can hope to have is the confidence of the American people that when a serious question like this arises, whether or not it has political angles,

Congress can be trusted to do the right thing for the American people. [Applause.]

Mr. COCHRAN. Mr. Chairman, I yield such time to the gentleman from North Carolina [Mr. WARREN] as he desires.

Mr. WARREN. Mr. Chairman, I had intended to take no part in this debate other than to vote to sustain the President's order. I have been engrossed for weeks in other matters having my deepest interest. I knew nothing about Reorganization Order No. IV until it was read here in the House, and, of course, I do not mean to infer that I should have had any prior knowledge of it. On account of the misleading propaganda that has been put out in the last 3 or more weeks, I have been appealed to in the last 2 days by a considerable number of Members to look into this order, and I have been impressed that it is my duty as a member of the House committee to not only make such investigation but to submit my views to this body for whatever they may be worth. I regret that the program as arranged by the majority leader has been disturbed, and while any Member is well within his rights to call up this rejection resolution today, since it originated in the Senate 4 weeks ago, and since that body is to act on it this week, we could have well waited for that decision.

We have heard a great deal lately about "Trojan horses." Well, one has been led to the battlements of the majority party here today by the only Democrat in the House who saw fit to introduce a rejection resolution.

When the horse disgorged there outpoured a flock of Republicans headed by the distinguished minority leader and my friend, the gentleman from New York [Mr. TABER].

I never handle the President's name to suit my own purpose. I delight to be with him when I can and in most instances my feeble efforts have been used to battle in his behalf. So today we find the gentleman from California [Mr. LEA] leading the Republican hosts in their efforts to discredit the President. Just a little later in the week we will find him with tears in his eyes as big as horse apples, citing the President in an effort to put over a piece of legislation inimical to the public welfare.

From the study I have made of this matter I am sincerely convinced that a phony issue is raised here today. Now, what are the facts and what are the issues?

Reorganization Order No. III, about which nothing has been said, merely coordinated the authority of the Administrator. Reorganization Order No. IV, which you are now asked to reject, abolishes the Air Safety Board, but transfers all of its authority and functions to the Civil Aeronautics Authority, and in addition to that it places the Civil Aeronautics Authority under a department head. It is needless for me to call your attention to the fact that time after time in all of the debates on the reorganization bill, and especially on the one which we passed at this session of Congress, attempt after attempt was made to exempt from all reorganization the Civil Aeronautics Authority, and in every instance in each House that exemption was denied.

My friend the gentleman from Missouri [Mr. COCHRAN] will discuss that phase. I will confine myself to that part of the plan which proposes to transfer the functions of the Air Safety Board to the five-man Civil Aeronautics Board.

As you know, it will also abolish the \$7,500 jobs of two men, the present members of the Air Safety Board.

The air-line industry has not, to my knowledge, opposed the transfer of the Air Safety Board's functions to the five-man board. I am told it is in favor of the plan.

The airplane manufacturers have not, to my knowledge, raised their voice against this transfer. I am told they favor the transfer.

The Civil Aeronautics Authority has not objected to this transfer. I am told they favor the plan. Why?

The only persons, to my knowledge, who are opposed are members of an organization which numbers only 150 persons, the Air Line Pilots Association. The only other persons who object are two men whose names are Hardin and Allen. Their jobs will be abolished. They are the present members of the Air Safety Board.

Hardin was, until his appointment, vice president of the Air Line Pilots. Robert H. Hinckley, Chairman of the present five-man Civil Aeronautics Authority, and Clinton M. Hester, Administrator of the Civil Aeronautics Authority, have on numerous occasions expressed their dissatisfaction with their relationships with the Air Safety Board. I propose to tell you why.

The Air Safety Board since its creation has been one of the rottenest and one of the worst administered messes in the Government for many years. Let me give you some background.

The Air Safety Board is only one part of the three-headed agency now known as the Civil Aeronautics Authority. There is a five-man Board known as the Authority, an Administrator and the Air Safety Board. Each is completely separate from the other. They are really three independent agencies.

In August 1938 the President appointed to the Air Safety Board Col. Sumpter Smith, who was at the time head of the airport construction for W. P. A. He also appointed Tom Hardin, who at that time was vice president of the Air Line Pilots, an organization which is the only group in the country actively opposing transfer of the Board's functions. Colonel Smith was elected chairman. The third man, C. B. Allen, was not appointed until later. Allen's background is interesting. He is aviation reporter of the arch-Republican newspaper, the New York Herald Tribune, and at present he is on leave of absence from that paper.

From the beginning a bitter quarrel marked the conduct of this governmental agency. It started between Smith and Hardin. When Allen joined Hardin to form a majority, the bitterness increased. This ill feeling, which was common knowledge to every informed person in the executive branch of the Government, finally reached a climax when Hardin and Allen deposed Smith as chairman of the Board and elected Hardin.

Now, I have not studied this particular branch of administrative law, so I am not prepared to say that this action is as grossly illegal as certain lawyers have charged, but I do know that Smith had been properly elected chairman for a term of 1 year, and when he was deposed by his associates, that year had not run its course. At any rate, this brought the matter to a head. The problem was laid before the President of the United States. Discussions and conversations were held at great length by the Administrator with the three members of the Board. This entire background of personal bitterness and practically public quarreling, which, according to the statements of the three men, had resulted in the complete demoralization of the entire staff of the Board, was carefully canvassed. In the past few weeks some men have said that Reorganization Plan No. IV was a purely capricious gesture by the President. I have not yet stated the date of these occurrences that I have mentioned. It was in late August 1939, 9 months ago. Hardin, Allen, and Smith admitted they could agree on only one thing. The situation was so bad, they said, that the Board itself was helpless.

It could not solve the problem. The three men felt that only action by the President of the United States could help them out of these difficulties. They stated frankly they could no longer cope with the situation.

A few months before Colonel Smith, at the request of the leading experts in the country, had also taken over the duty of supervising the construction of Gravelly Point Airport. This he did in his spare time. Gravelly Point, however, was reaching the stage when it would become a full-time job. Sumpter Smith was the obvious man to carry it on. Because of this, and to remove the personal bitterness within the Board, it was proposed that Smith be appointed to the position of engineer in charge of the completion of Gravelly Point Airport—which, incidentally, will be the greatest airport in the world.

Nonetheless, it was perfectly apparent this was no solution. Something had caused these quarrels. There were flaws, whether administrative or in the statute, or both, which had crippled the efficiency of the Air Safety Board. The charges and countercharges which the three members made against

each other were ostensibly, at least, based on the organizational defects within the agency. It was clear that a painstaking study of the Board's operations was necessary.

At about approximately the same period the administration was disturbed by complaints that the Air Safety Board persistently refused to confine itself to its own jurisdiction, as outlined by the statute. It was charged that Hardin and Allen were deliberately trying to set up a huge organization to do research of the kind which had nothing to do with the investigation of accidents—which, mind you, is the sole and only function of the Board. If they were successful in this attempt, Hardin and Allen would duplicate the already-existing research staff in the Bureau of Safety Regulation of the C. A. A., which, under the statute, was charged with this type of research.

It was claimed that the Board insisted on buying a large number of airplanes to fly all over the country; that it used Government funds to purchase more planes than the C. A. A., with a much larger staff, had for its use. I am told that these planes were in so little use that the Board had to lend them to the ill-equipped Authority.

It was perfectly clear to everyone there was something "rotten in Denmark." Not only was there friction within the Board itself, but it was rapidly spreading trouble to the entire Civil Aeronautics Authority. The problem was not only serious; it was complex. Clearly, an impartial investigation to sift these matters was necessary.

The administration requested the Administrative Management Division of the Budget Bureau to conduct such a study. This request was made in October 1939, and for the next 5 months the Budget Bureau studied the internal management of the Air Safety Board and its relations with the Authority and with the Administrator.

For the past 9 months, therefore, the Air Safety Board has been a constant problem to the executive branch of the Government. The recommendations finally reached by the Budget Bureau were embodied in the reorganization plans which the President has sent to the Congress.

I do not intend to discuss the reasons which the Budget Bureau has advanced for this plan. The gentleman from Missouri, Congressman COCHRAN, has presented these arguments. There are a few things about the Air Safety Board I should like to emphasize.

How efficient is this Board we have been hearing so much about? Its only function is to investigate accidents. Obviously it cannot do so until after they have occurred. It then reports publicly to the Authority and makes its recommendations. Since it can do nothing until after an accident, how can it claim credit for the year which has just passed without a fatal accident on an scheduled air line?

Are the air-line operators and pilots who are actually in charge day and night to be given no credit at all? I suppose we are to ignore the fact that they voluntarily agreed last year to cancel mutually competitive flights at the first sign of bad weather. Is the five-man Authority which promulgates the safety rules and issues the safety certificates to be given no credit? Is the Administrator who is responsible for the air-navigation facilities to be given no credit?

Does the public really understand the fact that the Air Safety Board is only one small part—the smallest part—of the Civil Aeronautics Authority?

But if the Air Safety Board insists on taking every bit of credit for this record year, why does it not emphasize the fact that under its perfect supervision during the year 340 persons have been killed in nonscheduled private airplane accidents?

Gentlemen, let us place the credit where it is due. I repeat, the only function the Board has is to report to and make recommendations for future action to the Civil Aeronautics Authority. If these reports are to be effective, they must be made just as soon as possible after the accident. Thus a similar accident may be prevented in the future.

However, such reports may reach the Authority over a year after the accident has occurred.

I have quoted verbatim that last sentence from a pamphlet issued by the Civil Aeronautics Authority. The C. A. A. points out that because of the usual delays of the Air Safety Board the Authority is forced to rely on its own personnel to furnish it with speedier action if it is to prevent similar accidents in the future.

It may take "over a year." The average time for reports to reach the Authority is 5 months. How can such delays prevent accidents? The Authority cannot wait—it must itself inspect all accidents with its own admirable facilities so it can reshape its rules and revoke safety certificates where necessary.

According to the annual report of the Air Safety Board, the Board reported to the Authority only a little more than 1,000 of the 2,700 accidents it dealt with. During the first 6 months of its existence no reports were made because the two members at the time were unable to agree on any of them.

Why this record of delay by the Air Safety Board? Its members have been so constantly embroiled with each other in bitter personal quarrels they had no time to perform the work delegated to them by the statute.

The argument that they were not granted sufficient funds to carry on their duties is not satisfactory. The Authority itself thoroughly investigated these accidents efficiently and speedily, using its field personnel, which also performs countless other duties. Is it argued that the Congress shall appropriate funds so the Board will duplicate an already existing staff performing many other functions? Or shall we save money and let the Authority formally take over the job it now is forced to do, if it is to be done right?

The disagreement between the members spread to and eventually disorganized the entire staff of the Board. Employees who dared to disagree with Hardin and Allen were eventually fired. If they had the temerity to side with Smith, the then chairman of the Board, their dismissal was practically automatic. Here is one example of such high-handedness:

The then chief counsel of the Air Safety Board, Mr. Darrell Lane, protested in a legal memorandum against the legal procedure of the Air Safety Board in handling a particular accident report. In the particular case Lane took occasion to compare the procedure of the Air Safety Board with the excellent methods of the five-man Authority in handling the identical accident.

Hardin and Allen had before them no legal memorandum disputing the points raised by Lane. Despite the fact that they were thus unable to criticize his legal conclusions, they demanded his resignation. At their insistent request, Lane resigned.

Their technique in removing personnel who disagreed with them was to abolish their jobs by a reorganization. When they reorganized it was Smith's friends whose jobs were abolished. In fact, the main quarrel, according to the three members, took place over a reorganization scheme which Hardin and Allen adopted and which Smith pronounced unworkable. Despite Smith's complaints they reorganized the three existing divisions of the Board into one division with three sections. They then set up an executive officer as the administrator of the Board. In arguing for the need of reorganization they insisted the Board had been failing further behind in completing its accident reports because of the old system. Smith claimed it created more delays. It is small wonder the administration put Government experts to work.

At one stage the fight became so bitter that the demoralized staff was treated to the absurd spectacle of two of its superiors refusing to allow the other to read the official transcript taken down of the Board meetings. Its minutes were made from these transcripts.

Hardin and Allen insisted that secret signals were arranged with the stenographer to take down off-the-record conversations, and that therefore the transcript should not be made available to the Chairman. This story, admitted in full by the participants, ought to prove illuminating to the House of

Representatives. It graphically illustrates the degree to which Government conduct of business can fall. I personally wonder what these off-the-record conversations could have been if they were so important and so confidential they could not safely be incorporated into the minutes.

This, then, has been the conduct of the Air Safety Board. It presents the pretty picture of a Board divided into two warring camps, two general staffs, each with their own camp followers. They spent Government money and Government time warring against each other while the business of government fell further and further behind. The camp followers who picked the wrong general were eventually dismissed. They committed the sin of betting on the wrong horse.

Does the House believe that the administration should have sat idly by with a situation like this? Should the responsible head of the executive branch pretend to ignore the obvious while Government funds were wasted? Here a Government agency had broken down. The main reason advanced was a question of organization. If this were really so, the natural thing for the administration to do was to send in its Government experts to dig out the trouble.

Can anyone quarrel with this procedure? It has tried and is trying to clean up a mess. The result of its study of the Board is in this reorganization plan.

I have heard no Member opposed to the plan attack the record of the five-man Authority. Instead, they have been high with their praise. If the Members of this House are so satisfied with the record of the five-man Authority, how can they object to transferring the functions of the Air Safety Board to such an efficient organization, at the same time abolishing the positions of the two men responsible for the failure of the Board?

I wonder if the House is under the illusion the Air Safety Board has been functioning in our Government's behalf since this reorganization plan was announced. Are they aware that Chairman Hardin flew at Government expense and on Government time to a meeting in Oklahoma, there to make a speech in which he, a Presidential appointee, expressed the hope that the Air Safety Board would be continued despite the President's wishes to the contrary?

Is the House aware that Hardin and Allen recently prepared a widely distributed pamphlet printed at Government expense, by Government employees on Government time, which attacks this reorganization plan?

Last fall they were too involved in bitter personal quarrels to keep abreast of the work required by the statute. Today they seem to have sufficient time to spend their efforts in such extracurricular activities.

Now let us go into some of these things. We all know there were violent disagreements. Several months ago there was an investigation of the accident at Bolling Field in which the brilliant and well-known Mexican pilot, Serabia, lost his life. The Department of State can doubtless throw a lot of light on that dispute with the Air Safety Board.

There was another controversy which must be touched on. It involved the procurement of two airplanes from the Navy and their subsequent trade to Bellanca for two small untried airplanes of doubtful utility. The reason for this trading away of the Navy planes was that neither member of the Board, Mr. Hardin or Mr. Allen, was competent to fly them, and on that account would not allow members of their staff to fly them although naval cadets are trained on these airplanes.

The negotiation with Bellanca was entered into and the terms of the trade agreed upon before specifications were written and proposals issued. The specifications were restricted, the Bellanca plane being the only plane able to meet the specifications. Before Bellanca made the deal with the first airplane Bellanca arranged a tentative sale of the Navy airplanes to a stunt pilot formerly living in Fort Worth, Tex., Mr. Hardin's home town. The incompetency of Mr. Allen to fly this Navy plane, which is of the same type as cadets for the Navy are trained on, was demonstrated on his only flight when he nearly crashed into a group of Army bombers parked on Bolling Field. This record could be amplified no doubt

by officers of the Army Air Corps who were present at Bolling Field when Mr. Allen unsuccessfully attempted to fly the plane. Navy officials will testify that they are training successful flying cadets on the same type of plane.

The competency of Mr. Hardin leaves much to be desired. He took off from Washington in a Boeing transport plane belonging to the Air Safety Board for a trip to Nashville, Tenn. The weather was good; the trip was made in broad daylight, and although Mr. Hardin should be thoroughly familiar with this route, inasmuch as he had flown it many times for American air lines, he became hopelessly lost and finally landed in a cow pasture in Indiana, and asked the farmer for God's sake to tell him where he was.

The law requires that one member of the Board be an experienced air-line pilot with 3,000 flying hours to his credit. Hardin is supposed to be this man.

Here is another thing, Mr. Chairman, and I ask you to follow this:

Since April 11 the entire Washington staff of the Safety Board has been required to spend its entire time preparing material apparently used in the propaganda distributed by the officials and hired agents of the Pilots Union. These statistics are juggled to fit the purpose. They were gotten up to show the decrease in air-line accidents subsequent to the inauguration of the Air Safety Board. The intent apparently was to prove that the sharp decline in accidents could be attributed to the influence of the Safety Board. Much to the surprise of the members of the Board these statistics, when plotted in graph form, showed definitely that the decline in accidents started more than a year before the Safety Board came into being, and that the so-called year of no accidents was merely the tail end of this nonaccident trend. The graph which was to be used in this fight against the President's order was thereupon destroyed. The statistics were then released without a graph.

And they come before you with a misnomer styled "A lobby to save lives!" Here and now I should like to say that the Civil Aeronautics Authority and the Civil Aeronautics Administrator have made far greater contributions to safety than has ever been made by the Air Safety Board. Who made the airways safe? Any contention that safety in the air is primarily dependent on a Board primarily set up to investigate accidents is a travesty on the splendid loyalty and efficiency of every air pilot, every aviation mechanic, every weather observer, every dispatcher, every aeronautical engineer and every employee in the aviation industry, who is doing his job day in and day out and thus making his contribution to air safety. Safety is the product of a multitude of jobs well done, and I should like to point out that neither the Army, nor the Navy, nor the United States Coast Guard have found it necessary to set up safety boards to obtain a splendid operating record. Of course, these services investigate accidents, and, of course, they take measures to prevent them, and, of course, they obtain knowledge and experience from every investigation of an accident. From these and other agencies the President has learned how to correct the mistakes which were inherent in the law creating and misnaming the Air Safety Board, and which were accentuated by an unfortunate selection of Board members.

Mr. Chairman, I feel personally the deepest interest in everything pertaining to aviation. It all started down in my district just 37 years ago when at Kill Devil Hill the Wright brothers made the first successful flight. All of us are vitally interested in maintaining this new American institution, in which every American has a right to take greatest pride—the institution of safety in air transport. Let us not forget, however, that "every human institution is the lengthened shadow of a man," not of a Board. Let us not forget that every American who flies, or services, or helps to equip an airplane is an essential part of this new American institution and deserves a share in the credit for the world record which has been made for safety in air transport. Nothing could be more disastrous at this critical juncture in the world's history than to tempt the thousands

of young Americans who are in training in civilian and aeronautical schools to believe that safety in the air depends not upon the thoroughness with which they train themselves, but upon a Board in Washington which has never yet been able to agree upon the facts found in connection with the investigation of accidents in the air.

I say to this committee today, Mr. Chairman, from all of the investigations that I have made in this matter that the President is eternally right to clean up the sorry mess down there. This order is the way to do it. It will be the greatest thing for aviation if his order placing them under a responsible Cabinet head with a seat at the council table of the President, is sustained, as it ought to be by this House. [Applause.]

[Here the gavel fell.]

Mr. MARTIN of Massachusetts. Mr. Chairman, I yield 15 minutes to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Chairman, I shall try to restrain myself as to politics in this matter. I regret that the first words of the last speaker were to the effect that the gentleman from California [Mr. LEA] was leading the Republicans today. That has invited some pretty tart rejoinders, but I will refrain.

This is a matter for the majority of the House to determine. We have a great responsibility. We are dealing with safety measures involving the lives of our citizens. The last speaker said it was illuminating that the two members of the Air Safety Board had devoted Government time and expense to furnish us with a little information. From whom are we to get information except from those whose positions are jeopardized and may be willing to talk? It was all right for him to stand here for some 50 minutes or more and read to you—and he read it well, did he not?—about all the dirty linen that has been washed in this Board. Well, who gave him that information? Was that done on Government time and expense? Was it furnished to bolster his argument? This is not a case of washing dirty linen. Let that argument fall of its own weight. If the Air Safety Board could not be disciplined at the time they were disagreeing among themselves, is it possible that a whole reorganization scheme must be undertaken? Shall we go back to that discredited agency, take away their power, and place them under a politically minded gentleman? Our truly patriotic Democrats cannot agree to that.

Why should the minority talk at all? Why should I not keep my seat? I have been on this committee for a long time and am more interested in the principles involved in the reorganization schemes than I am in the details. We all should be. We are in no position to argue about details. No hearings are ever held on these reorganization measures. You take them or leave them. There is no chance whatever to argue or prove whether they be good or bad. The general legislative procedure is that when legislation is enacted, both branches of the Congress must act, take it to conference, and finally bring out a measure fully understood. In this case a recommendation takes effect unless both branches disagree to it. If the great majority of one branch agree and the other branch disagrees, it takes effect just the same. It is a most peculiar rule, is it not? It may be a good rule in some of its provisions. Anyone can bring it up. Both branches tied themselves up with a rule providing that we could act, but its weakness is that if one House agrees and the other disagrees, it goes into effect just the same, which is far from a proper or orderly method.

Mr. Chairman, I have only 15 minutes. I have read a good deal about this subject. This is no time to wash dirty linen and I have not been given it to read. We should forget that line of argument. The administration should have washed that linen clean. Consider the appeasement process of appointing Mr. Hinckley, as Assistant Secretary of Commerce, under Mr. Hopkins. This seems to have satisfied him. It does not appease an interested and anxious public. We are not quite sure who the Administrator may be, but I wish to present this thought.

All the way through these reorganization schemes is the intent of the Executive to get control of all administrative

powers, the personnel, the Budget, the procurement, even the type of goods and needed devices. When they get that, the money, the personnel, the administration—and in this case they will appoint an administrator with the powers set forth under Reorganization No. III and leave this Board only the power to adjudicate—then what is left? Adjudicate what? What the Administrator sees fit to give the Board to adjudicate. They can make rules ad infinitum, but when you take the administering features from this present independent organization, the damage is done. We heretofore determined it should be independent after previous unhappy experiences. When we tried to exempt it with the other 21 exemptions that were made, we failed only by a slight margin. It should have been exempted with those other agencies, preventing this questionable operation.

Why could not the Executive have settled those differences between the two men after the other had resigned, without having to take this extreme measure? You have heard the immediate response from the interested public. The previous speaker said that certain organizations and people were favorable. Perhaps a small minority are. Why do we have to sit here and be entertained with a lot of that dirty-linen stuff, which somebody prepared, to distract our attention? Is that to be persuasive? Because certain people had quarrels, and the courage to get rid of them was lacking, should we have a reorganization of the whole activity imposed upon us. Shall we indulge this madness?

I am sorry if I say one word offensive to my Democratic friends, but the minority must needs help in this matter. You gentlemen cannot say some things which the minority may say, perhaps with some hesitation, but of which you really approve. You naturally wish not to be too critical of your own administration, and the minority should speak for you.

I read with great care every word, every syllable of the speech made over the air by the gentleman from Missouri [Mr. COCHRAN] justifying this plan. He stated the President is within his right, that this was not exempted, as were the 21 other agencies. That is true. He says the President's family travels by air, and therefore they are interested in safety. That is not an argument worthy of the gentleman. There were some statements by the previous speaker about Kitty Hawk, N. C., where the first flight was made. That may be persuasive, but it is only oratory, and I am not indulging in that procedure. I should be easily swayed if I were to let that sort of argument affect me in this important decision. The President's family travels by air. Yes; nearly all the time, by some method of transportation.

Mr. SCHAFER of Wisconsin. Will the gentleman yield?

Mr. GIFFORD. I yield to the gentleman from Wisconsin.

Mr. SCHAFER of Wisconsin. Did the gentleman from Missouri also indicate that the President's immediate family sells a great deal of aviation insurance, and that the picture of a member of the President's family, the First Lady, appeared in a recent two full-page Saturday Evening Post aviation advertisement?

Mr. GIFFORD. I hope the gentleman will not arouse me to talk on that subject. I may talk about it some other time. It would be a most enjoyable subject. The previous speaker said there was practically no opposition to the other recommendations. What chance did we have for opposition? No hearings were held, and no employees dared speak up and inform us regarding them. Of course, there was little opposition. I have read recently the debates of the last 2 years relating to these matters.

The leader of this House took the floor on the reorganization scheme in 1938 and practically warned with great emotion, "The Republicans will get you if you don't watch out." He just simply forced you to it by a plea of loyalty to the party. It was not the minority that brought politics into it, it was Democratic leaders that did so continually. There was the same cry in 1939, and today we hear it again.

"Does not abolish functions." Of course not. What good are functions if you appoint administrators who will not

carry out functions? Give the power of appointment and control of the personnel to them and functions might disappear.

"Board retains its independence." Ridiculous—with a politician at the head who will give them such personnel as he desires. There would be perfect control of the Administrator, who will investigate what his superiors may see fit. Independence retained? Let us not be so deceived. Would you like to be on a board where all the administrative features were controlled by someone else? You could have no money, you could appoint nobody, you could procure nothing you thought desirable unless it was approved by someone higher up. Do you call that independence? Let not our intelligence be trifled with in such fashion.

"Two sets of investigators." They did have two sets. Yet there are a thousand cases still to be investigated. Perhaps they needed two sets of investigators. If you have this new Board with an Administrator with somebody over him, they will investigate just what he pleases and only what he pleases, and I suspect that most of these pending investigations may be dropped so they can say they are up to date.

"Defeat of this plan will be a set-back for civil aviation." The public does not believe that, and your mail does not indicate it. This is only a method to get complete control, administratively, at least, of this independent organization and change it from what Congress meant it to be. It is in line with the Brownlow scheme from the beginning—the Brownlow scheme which aroused the whole Nation to expostulate. How simple, thinks the Executive, "Let us get control of the personnel, the pay of the personnel, the Budget, and then we have all the control we need." I might say, if I wanted to use picturesque language, "functions be damned. They will function only as I desire if I control the men who are supposed to function." Can we not keep that in mind? That is the scheme back of all these plans.

There are many other changes in this reorganization plan, but no one seems to be interested in or informed about them. All arguments seem to center on the C. A. A. We have had no hearings on this suggestion. I must object, even though I am in the minority, to passing any reorganization plan without having any hearings or some proof offered us except during a few minutes of debate on the floor. We have listened for nearly an hour to dirty linen being washed. It might have been interesting and led to some emotional thinking. But did it have any weight? I trust not.

They could have handled it differently. If there is trouble among your servants, what do you do? Build a new house? Why not discharge them rather than build a new house as the only method of ridding yourself of them?

Referring to other provisions in this plan. I should like to know why they want to hand Madam Perkins more extraordinary power as suggested here. Is it wise? We do not know. The nautical schools are to be taken away from the Navy and put into the Maritime Commission. Is there one here sufficiently informed as to why the nautical schools should be taken from the Navy? The Maritime Commission may not endure long as a commission. They would take away from the boys in the nautical schools that which has been inculcated in them, the love of the Navy, the preparedness for defense of their country.

I speak of these things because the whole scheme ought to be investigated. Any reorganization scheme should be carefully considered, at least by the committee having the duty of studying the matter, with the public being given an opportunity of expression.

My time is exhausted, although I have a voluminous amount of suggestions here that might be presented. [Applause.]

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. SHEPPARD].

Mr. SHEPPARD. Mr. Chairman, we have listened to a rather interesting discussion pertaining to the proposal we have before us today. While I have the utmost regard for the gentleman from North Carolina [Mr. WARREN] who

preceded me on the floor of the House, the records I have been able to compile do not jibe with the statements of the gentleman by a long shot.

I feel that we are called upon today to consider a proposal that goes far beyond any political ramifications. We are now faced with a condition where we are called upon to consider what is going to happen to humanity that may choose to use our modern-day transportation, to wit, aviation, as its method of travel. I believe we have something before us that merits intense consideration. I am not concerned with any interdepartmental fight that may have occurred. I will say, however, that my experience as a Member of this House would indicate to me that if there has been such a terrific turmoil in the air-safety department as our friend the gentleman from North Carolina [Mr. WARREN] has indicated, it is rather peculiar that more Members of this House have not heard of that disturbance. I, for one, have not heard anything about any misunderstandings that have been going on in these departments which, in any manner, were impeding the orderly process of the respective departments concerned with the control of aviation.

We heard the gentleman from North Carolina [Mr. WARREN] quoting that some gentleman had been removed from office down there.

I am just wondering if we were to scrutinize this picture carefully if, possibly, we would not find that one of the gentlemen who had lost his job was not on the investigating committee that made these recommendations to our President. This is something for you to think over at least. [Applause.]

Another thing I would like to call your attention to is this. The gentleman from North Carolina [Mr. WARREN] referred very definitely to the tremendous expenditure that had taken place in the safety department. Well, Mr. Chairman, my information is to the effect that out of \$380,000 for the fiscal year they anticipated turning back to the Treasury between \$50,000 and \$75,000, and yet they have been called upon to do a tremendous amount of work, much of it from the old Commerce Department.

You know it is rather startling that in some of the proposals that we have listened to we find that the proposal incorporates the idea that a body of gentlemen be transferred to a specific department and that they also take over, if you please, the supervision of safety when they themselves are the persons who designate the appliances to be used; in other words, if these splendid gentlemen in the Authority—and I have no quarrel with them as individuals or collectively—are put into the set-up that is proposed by this reorganization, then what do we find? We find that they are the gentlemen who will pass upon the blue prints of planes to be put into modern transportation as being acceptable, and then, if they crack up, the same group of gentlemen pass upon their own inability to have functioned properly in the first instance. You know we may have men in these departments who are constituted quite differently from you and me as Members of Congress, but I have never yet found any particular situation where that great element of the human equation was not a material factor, and I want to make this statement to you. Both my wife and I love to fly commercially and in private planes. We were among the first, if you please, to go up in the "wingless bug" commonly known as the gyro down here because we wanted to see what made the wheels turn around in aviation; but under the circumstances of the reorganization plan as proposed today—

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. SHEPPARD. I do not want to jeopardize my life or the lives of my family due to the attitude of gentlemen who might be called upon to pass upon their own mistakes; and I may say this to you: The record that has been made by the Safety Board is a most enviable one, and I shall ask at the proper time unanimous consent to insert in the RECORD a table of mileage flown under the direction of the Department of Commerce and the number flown for the last 20 months

under the present Safety Board; and read this table and reach your own conclusions as to how you should vote on this issue. [Applause.]

Fatal accident statistics, domestic scheduled air-carrier operation

	Fatal accident	Fatalities			Days per fatality
		Crew	Passen- gers	Total	
1927.....	4	4	1		
1928.....	11	10	13		
1929.....	21	22	14		
1930.....	9	9	24		
1931.....	13	13	25		
1932.....	16	17	19		
1933.....	9	9	8		
1934.....	8	12	17		
1935.....	8	14	15		
1936.....	8	17	44		
Total.....	107	127	180		
1937.....	5	12	40	52	7
1938 (first 8 months).....	4	9	22	31	8
Total.....	9	21	62	83	
Grand total.....	116	148	242	390	
Air Safety Board began safety program Aug. 22, 1938					
1938 (last 4 months).....	1	1	3	4	30.5
1939.....	2	3	9	12	30.4
1940.....	0	0	0	0	(1)
Total.....	3	4	12		

¹ No fatalities.

Scheduled domestic air-carrier operation

Last 20 months under Department of Commerce:	
Passengers carried.....	1,852,902
Miles flown.....	109,793,440
Passenger miles.....	816,810,297
Fatal accidents.....	9
Fatalities:	
Crew.....	21
Passengers.....	62
Total.....	83
Average death rate, 1 every 7.2 days.	
Last 20 months under Air Safety Board:	
Passengers carried.....	3,071,671
Miles flown.....	134,775,977
Passenger miles.....	1,213,299,969
Fatal accidents.....	3
Fatalities:	
Crew.....	4
Passengers.....	12
Total.....	16
Average death rate, 1 every 37 days.	

NOTE.—The average death rate during the last 20 months of operation under the Department of Commerce was more than 5 times greater than that after the Air Safety Board assumed office, a net increase in safety of more than 400 percent. During the last 16 months of the 20 months' operation under the Air Safety Board there was not a single pilot fatality. In the last 13 months there was not a single passenger fatality. This astounding improvement in safety was accomplished during a period of unparalleled expansion of operations.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield such time as he may desire to use to the gentleman from Illinois [Mr. CHURCH].

Mr. CHURCH. Mr. Chairman, I should like to say a word in opposition to the reorganization plan of the President relating to the Civil Aeronautics Authority. I intend to vote for the resolution to set the plan aside. We should be glad we did not listen to the ardent new dealers who tried to prevail upon the Congress to give the President blanket authority to reorganize the executive branch of the Government. We should be glad we retained a check on the exercise of the power delegated. If we had not done so we would be unable to do anything with respect to the action taken by the President in connection with the Civil Aeronautics Authority.

The reorganization plan submitted by the President would, in substance, abolish the Air Safety Board, strip the Civil Aeronautics Authority of its independence, and place regula-

tory control of air transportation and civil aeronautics under the Department of Commerce. One of the major reasons offered by the President for his proposal is that by placing the Civil Aeronautics Authority in the Department of Commerce it would have representation at the Cabinet table.

Mr. Chairman, the argument advanced by the President in behalf of his proposal is really an argument against it. We have already had experience with the politics-ridden Bureau of Air Commerce. Congress deliberately made the Civil Aeronautics Authority an independent agency because of that experience. And the remarkable improvement in air transportation in the last 2 years is evidence of the wisdom of Congress in taking that step.

As an independent agency the Authority has been able to speak directly to the Congress. But the President would make it a subordinate bureau able to act only through the Secretary of Commerce. It would be at the mercy of a single man, and that was one of the troubles with the old Bureau of Air Commerce. Moreover, it should be pointed out that our railroads, our merchant marine, and our motor carriers are regulated by independent agencies and not by subordinate bureaus.

It would be a serious mistake if we allow the Civil Aeronautics Authority to become a subordinate bureau, whose personnel and budget would be controlled by the Secretary of Commerce. Under the old Bureau of Air Commerce we witnessed a high death rate for passengers and pilots. Under the present Civil Aeronautics Authority and the Air Safety Board we have made remarkable strides both in the efficiency and safety of air transportation. I cannot approve a return to the old system which, in essence, the President has recommended. [Applause.]

Under leave to revise and extend my remarks, I am inserting a copy of a letter addressed by one of my constituents, Mr. Wayne Carpenter, of Waukegan, Ill., to Senator PAT McCARRAN on this subject. I feel it merits special attention because it expresses the views of a small, independent aviation operator.

MAY 5, 1940.

Senator PAT McCARRAN,
United States Senator from Nevada,
Senate Office Building, Washington, D. C.

MY DEAR SENATOR: As a charter member of the Aircraft Owners and Pilots Association I want to amplify, from the viewpoint of a small independent aviation operator who has trained 79 pilots this year (without injury or fatality to anyone and without subsidy of any kind), what is stated by Mr. Hartranft in his letter of May 2, 1940, to you.

We are a struggling young industry which, if free from the rumors, turmoil, and uncertain status of rapidly changing "screwball" policies in Washington (for example the Eugene Vidal regime in the Department of Commerce), can mean a lot to business recovery.

Under the Civil Aeronautics Authority we (the nonscheduled phase of the industry) have had greater expansion along sound lines than in any other period of our struggling existence. It has been stated that the Civil Aeronautics Authority will remain independent, if Reorganization Order No. IV goes into effect. According to that order the Secretary of Commerce will have charge of budgetary, accounting, and other such functions for the Authority. It is axiomatic that the man who supervises the cash for a given activity, has supervision in other ways over that activity. The President, the Attorney General, and Mr. Smith of the Budget Bureau, and Congressman COCHRAN, in his radio address on May 3, ignore this vital point. Mr. Smith was quoted in the press here as stating that, while the Civil Aeronautics Board, under the reorganization plan, is to be independent, the Secretary of Commerce may add his comments to the Board's reports and decisions. The President has given as justification for his plan No. IV, that civil aviation may be represented at Cabinet meetings. If the Secretary of Commerce controls the budget, may add his comments to decisions of the Board (why make them if they will not mean anything?), and represents civil aviation at Cabinet meetings, the independence of the Civil Aeronautics Authority will be what we in aviation call zero zero. I have heard arguments in opposition to the plan termed "spinach." To many of us who have struggled against odds for years to get somewhere in this business, this vague answer to an extremely important problem makes us fearful of our futures.

This reorganized Board may work, with a certain degree of success, with such a man as Robert Hinckley as Assistant Secretary of Commerce, but Mr. Hinckley will undoubtedly have other duties to perform and perhaps cannot give the attention to civil-aviation problems which they deserve. And can aviation count always on having such men as Mr. Nobel and Hinckley in the Department of Commerce? The record under the well-intentioned Mr. Daniel Roper and Mr. J. M. Johnson was a disastrous one.

With regard to the Air Safety Board, although it seems to some to be in duplication of the function performed by the regular Government inspectors, this, in the opinion of many in our branch of aviation which flies more miles and operates more aircraft (or did in the year 1938) than the military services and the air lines combined, is just as necessary as a coroner is necessary. The pilot and aircraft owner does not want the policeman (inspector) to be the coroner also. But, in my opinion, the coroner (Air Safety Board) should not follow pilots and planes around to prevent their having accidents. The Air Safety Board should investigate and report causes of accidents and make recommendations as the result. It should not be wiped out by having its duties combined with those of the Board which passes on the safety rules. If this takes place, we will be back to the sorry mess we had under the Department of Commerce when the investigators were investigating themselves and naturally had a human-nature tendency to pass the buck of responsibility to the other fellow.

The Air Safety Board has been a hair shirt to a lot of people, including the private and nonscheduled operator and apparently to the President and the Civil Aeronautics Authority. Some would like to be rid of the hair shirt but it has been good for us—just having it set up the way it is makes us operate more safely.

For the above reasons, and as a practical operator who does not consider himself uninformed on this subject, nor has he, to his knowledge, ever been considered gullible, I hope and pray that this reorganization order will be defeated.

Sincerely,

WAYNE CARPENTER,
Owner and Manager, Waukegan Air Service.

This organization has soloed 87 students, flown over 500,000 miles, made over 10,000 landings and take-offs; at present we have 5 flying clubs in operation with 85 members and 150 students.

W. C.

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. BRADLEY].

Mr. BRADLEY of Michigan. Mr. Chairman, ladies, and gentlemen, at the risk of being accused of being ignorant and gullible and even stooping to play politics or indulging in a bit of "spinach," I want to raise my voice in protest against Reorganization Plan IV, which I consider to be untimely, ill-advised, and unsound in logic.

Mr. Chairman, I have no desire to question the sincerity of anyone in his treatment of aeronautics. We cannot escape the fact, however, that whenever the President has acted in the aeronautics picture he has invariably created chaos and confusion within the entire industry, to say nothing of resultant accidents with a tremendous destruction of life and property. The aeronautical picture changed quickly when the New Deal took over in 1933. We had the unfortunate experiment of the Army flying the mails and the cancellation of the air-mail contracts which drove all air-line fleets out of the sky temporarily. Then the President turned over the operation of aeronautics to four strictly political appointees, each having the support of some political "Major Domo," and each of whom immediately set to work to build up his own political organization within the Bureau of Air Commerce, which resulted in no end of chaos and confusion. The aeronautics industry itself then went to work on the Congress, representing the people of the United States, and after years of bitter controversy got enacted into law by the Congress the Civil Aeronautics Act, conceived by and drafted for the aeronautics industry by those who were in the industry and knew what they wanted in order to make for safety in aviation in this country.

Now, I do not need to repeat to you again the harrowing list of accidents which preceded the creation of the Civil Aeronautics Authority and the Air Safety Board. Those figures have been given to you and the public often enough. The unmistakable fact remains that when the control of aviation passed out of the hands of the President and the Department of Commerce in 1938 into the hands of an independently created bureau, answerable directly to the Congress as well as the President, that air safety and the entire aeronautical industry rapidly regained its accustomed stride. Therefore I say to you that when we are reminded of the unmistakable fact that not a single accident has occurred on the air lines in this country over the past 13 months, in which our planes night and day, in good weather and bad, have flown over a billion passenger-miles and created the greatest safety record in any form of transportation at any time in the past, then I say to you respectfully that it is indeed untimely to change that set-up as now proposed. I

care not who created it, a perfect record is hard to beat—harder to criticize. When I say to you that Reorganization Plan IV is ill-conceived or ill-advised, then I say that you have only to recall the failures of the past, the success of the present, and the present proposal to return to the folly of the past.

It has been said that friction exists in the present organization. I am convinced that friction does not exist to any greater degree now than it did to my personal knowledge during the dark days of air commerce.

Unquestionably there exists friction between individuals, and unquestionably some friction existed originally between the Air Safety Board and the Civil Aeronautics Authority. I have previously pointed out to you that this friction originated when Col. Sumpter Smith, one of Harold Hopkins' pets, was personally placed in control of the Air Safety Board by the President. Colonel Smith learned how to pour the people's money down the rat hole when he was building airports for the W. P. A. It was not strange therefore, as soon as he took over the chairmanship of the Air Safety Board, that he immediately proceeded to set up an entirely separate organization on a Nation-wide scale, the cost of which he made no effort to even predict; but it was his intention to create in effect a separate organization in direct competition with the other, and this naturally led to friction. Later we know that in direct contravention of the law, which required that the members of the Air Safety Board must give all their time to that work and undertake no other duties, that he then assumed charge of the construction of the Gravelly Point Airport here in Washington. In so doing he not only violated the express word and intent of the original law but proceeded to take so much time away from his Air Safety Board duties that the other two members found it necessary to remove him as Chairman, and later he resigned, and since that time the Air Safety Board has continued to function with remarkable smoothness and efficiency.

But, for the sake of argument, let us assume that some friction does exist at the present time. We know the history of the past. If one lived in a rat-infested hovel, he might be excused for building himself a new, modern home. If a rat got into that new home, I would assume he would drive the rat out and not burn down the house. If we have the same condition existing in aeronautics right now, it is quite possible to drive the rat out of the house, not burn it down. But because aeronautics has prospered under a bureau created by the Members of Congress, as requested by and laid out by the aeronautics industry itself, I say it is indeed ill founded to now propose to turn it back into the old rat-infested Bureau of Air Commerce, completely dominated by politics under the executive branch of the Government.

Mr. Chairman, I have yet to talk to a pilot, I have yet to talk to an air-line official, I have yet to talk to a private owner of an airplane or a private pilot who favors this change.

Let us continue to give aeronautics that which it should have, that which it has proven it must have to prosper; that is, independent regulation by an independent bureau created by and responsible to the Congress of the United States. If the present set-up needs change, let the Congress, and Congress only, do its constituted legislative duty and clean the rats out of the house—not burn it down. [Applause.]

Mr. MUNDT. A point of order, Mr. Chairman. It seems to me that, inasmuch as we are discussing something of tremendous importance to the lives of many Americans, a quorum should be present, and I make the point of order that a quorum is not present.

The CHAIRMAN (Mr. ROMJUE). The Chair will count. [After counting.] One hundred and three Members are present, a quorum.

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. COCHRAN. Mr. Chairman, the gentleman from Illinois is a member of the committee and I yield the gentleman 10 minutes of my time.

Mr. DIRKSEN. Mr. Chairman, let me address an answer to the indictment that was leveled by the gentleman from

North Carolina [Mr. WARREN] against the members of the Air Safety Board of the Civil Aeronautics Authority. That indictment consisted in large measure, first of all, of showing the use of governmental time for other than strictly business purposes, a flight to some town in Texas for the purpose of addressing a convention as against this reorganization plan and certain administrative difficulties that obviously, according to him, existed in the Air Safety Board. That whole indictment can be dismissed at once. In the first place, if it is as bad as our good friend states, then the President should have discharged those gentlemen. That is the answer. As to whether the President has authority to discharge them, we go back to the Humphreys case of 1935. I think that settles that. Finally, we might state that if it is as bad as alleged, why abolish the Air Safety Board? Why burn down the barn to get at a few people in the barn, and yet that is the brunt of the whole argument that was advanced here for more than 30 minutes, and certainly it constitutes no reason for approval of the pending plan, No. IV.

Mr. Chairman, I am curious to know who wants this plan. Did the industry want it? You have not heard a word from anybody to indicate that they want this change in the Civil Aeronautics Authority. Is it the air-line pilots, the men who fly these great corsairs of the sky, and who undertake the responsibility for human life? Is it the pilot and the aggregation of pilots who have flown over 2,000,000 people in the last 12 months without a single death or injury to a member of the crew or to a single member of the traveling public? Do they want it? Then read the statement of David Boehnke, the president of the Air Line Pilots' Association, who pleads with the Congress to defeat this reorganization proposal. Is it the traveling public that wants it? Then listen and learn from those who do fly of their keen opposition to this proposal, ranging from General Johnson and other air travelers on down. Is it the insurance group that wants it? Listen to this telegram from the Associated Aviation Underwriters, to Senator McCARRAN dated April 29:

Drastic reductions in rates have been made during the last year, due to excellent experience which our unemotional analysis indicates due in no small measure to present Civil Aeronautics Authority and Air Safety Board arrangement. Therefore urge you strongly resist suggested transfer to the Department of Commerce.

No; the Associated Aviation Underwriters are opposed to it. Does labor want it? Read the letter that William Green, of the American Federation of Labor, addressed to Senator McCARRAN on the 29th day of April, and I quote only the last sentence to this effect:

The American Federation of Labor heartily endorses your Senate Concurrent Resolution No. 43 to set aside Reorganization Plan No. IV.

The industry does not want it, the underwriters do not want it, the pilots do not want it, the public does not want it, labor does not want it. I am wondering who wants this reorganization plan as proposed by the President. How singular that there has not been a single hearing on this proposal. You know how it began? In December 1939 the President asked the administrative management section of the Budget Bureau to make an investigation and they did, and they brought in this proposal. A gentleman named Donald Stone is the Assistant Director of the Budget Bureau in charge of that work. Who actually did the work does not appear. It seems rather strange, however, that the report of the Budget Bureau was inserted in the RECORD by our good friend the gentleman from Missouri [Mr. COCHRAN] not so long ago, but oddly enough the Budget Bureau's report was not signed, and I am curious to know the names of the personnel who may have fabricated that report. In any event that is where it started, and what an amazing concatenation of events have followed since that time. You know chronology is a very interesting thing. This started on the 4th of December 1939. The second step in chronological order is this: April 3, the third reorganization plan to clarify the functions of the Administrator in the Civil Aeronautics Authority; April 11, plan No. 4,

which is before us at the present time; April 30, the President's statement to the public in which he talked about well-intentioned people staking out an exclusive claim for the safety of lives. It is very regrettable that the Chief Magistrate of the Nation had to use that language. April 30, the Democratic members of the Special Reorganization Committee of the House went to the White House and had their photographs taken before they came away.

The gentleman from New York [Mr. TABER], the gentleman from Massachusetts [Mr. GIFFORD], and myself, who are minority members, were not invited on that exploratory expedition. [Laughter.]

May 1 the name of Col. Monroe Johnson, Assistant Director in the Department of Commerce, was sent to the United States Senate for confirmation as a member of the Interstate Commerce Commission. You see, that was to cushion the objection; that was to cushion the great surging wave of protest that was beginning to rise in the country.

May 3 a letter from the Director of the Bureau of the Budget, either directed to the Secretary of Commerce or to the Chairman of the Civil Aeronautics Authority—and I cannot tell which, because the letter as inserted by Senator BYRNES was directed to the Secretary of Commerce, while the same letter which was inserted in the RECORD by our good friend from Missouri [Mr. COCHRAN] was apparently addressed to the Chairman of the Civil Aeronautics Authority. So I am not clear on it, in view of the fact that the letter on two separate occasions was inserted in the CONGRESSIONAL RECORD apparently addressed to two different sources. But there in 16 specific different items the Director of the Bureau of the Budget undertakes to tell why this plan should be approved. Certainly the letter is full of absurdities, and, in fact, constitutes an entirely new plan.

May 3 a letter from the Attorney General of the United States appeared telling why, in his judgment, this plan as proposed was quite all right.

May 4 it was intimated to the public that Mr. Hinckley, present Chairman of the Civil Aeronautics Authority, would have a place in the Department of Commerce, so that this agency which is to go to the Department of Commerce would be under the nurturing of kind and experienced hands.

So this blitzkrieg against the Civil Aeronautics Authority, which began way back in December, is finally dissipated in a great smoke screen. [Laughter.]

I am rather surprised at this. I cannot find out from anybody who is affected by this proposal what they want; there have not been any hearings. Nobody's advice has been asked, and then there comes confusion worse confounded in order to take the thought of the public from the fact as to what this will do.

Now, when they attack the Air Safety Board the fact remains that a great safety record is there. Neither the gentleman from North Carolina [Mr. WARREN], the gentleman from Missouri [Mr. COCHRAN], or Mr. Roosevelt or Mr. Hinckley or Mr. Monroe Johnson or anyone else can dissipate the effect of the record for the last 12 months—aye, for the last 20 months. Not a single fatality in 408 days; not a single life lost in 408 days; not a single plane dashed to the ground in 408 days. If that is what friction will do in a governmental agency, then, by the great eternal, give us more friction. [Laughter and applause.]

Mr. BRADLEY of Michigan. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. BRADLEY of Michigan. In your discussion of the question of all these dates, I wonder if the gentleman could tell me when the Budget Bureau report was brought up? I have a copy of it here. It is supposed to be the original report, and there is no date on it and no signature. It is not addressed to anybody. I just wonder if the gentleman could give me that date?

Mr. DIRKSEN. It is enveloped in mystery like all blitzkriegs are enveloped in mystery when they start.

Now, there is the record: 90,000,000 miles in 12 months, 2,000,000 passengers carried, not a life lost.

Now, an attack is leveled at Tom Hardin, Chairman of the Safety Board. The gentleman from North Carolina [Mr. WARREN] says perhaps there is something to be desired in his record of aerial experience. Well, let us see what is to be desired. Tom Hardin and the Board came before the Appropriations Committee in connection with the appropriations for 1940. It is my privilege to serve as a member of that subcommittee. So we asked the members of the Board to submit some biographical data. Here is the data on Tom Hardin, Chairman of the Air Safety Board: He was the senior air-line pilot for American Air Lines. He holds the highest pilot's license that is available to anyone. He is rated for instrument flying and blind flying. He has had a great aviation background. Besides, he has officially 10,000 hours to his credit in the air. Page 1835, hearings on the appropriation bill for 1940, available to any Member of the House, will disclose this.

Mr. KLEBERG. Mr. Chairman, will the gentleman yield?
Mr. DIRKSEN. I yield.

Mr. KLEBERG. I might add to that documentary evidence that I have spent a great many hours personally flying with Tom Hardin as I have flown with many pilots. In my estimation, no better pilot was ever at the controls of a plane than Tom Hardin. [Applause.] I just wanted to make that contribution.

Mr. DIRKSEN. I thank the gentleman from Texas.

So all that has been said about the Air Safety Board, all that has been said about friction down there has an answer, and the answer is this: A gentleman named Col. Sumpter Smith, who, by indirection at least, our good friend the gentleman from North Carolina [Mr. WARREN] defended on this floor just a brief while ago, has been derelict in his duties as a member of the Safety Board. When he should be discharging his responsibility as a member of the Air Safety Board, as the law provides, he was partially engaged with this new glorified airport down on the Potomac River. The Civil Aeronautics Authority Act provides that his full time shall be devoted to the job of safety. Where was he? He was giving only partial time down there, and the rest of the time he was down on the Potomac supervising the airport work. We invested him with a responsibility under the law of 1938 to discharge his responsibility in behalf of public safety; and was he doing it? No; he was not doing it. That is the reason for the friction; that is the reason for the trouble; that is the reason that Tom Hardin and Mr. Allen went to the White House and saw Colonel Watson. All the testimony is there in the file if anybody cares to read it. That is the answer.

What is wrong with this pending reorganization program? I will tell you what is wrong. There are two things, and that is all that time will permit me to develop. The first is—and do not forget it—that you invest in the Secretary of Commerce the authority specifically for procurement, for accounting, for budgeting, for management control. You give Harry Hopkins the authority to spend \$27,000,000 and to look after the interest of 5,042 people in that agency.

The net effect of the proposal before us is this:

It transfers the Civil Aeronautics Authority and its functions to the Department of Commerce. It transfers the Administrator and his functions to the Department of Commerce. It transfers the functions of the Air Safety Board to the Department of Commerce. And then vests those functions in the new Civil Aeronautics Board. It renames the Civil Aeronautics Authority and calls it a Board. The Air Safety Board is abolished. The functions of the Administrator are to be administered under the direction and supervision of the Secretary of Commerce.

The Civil Aeronautics Board shall report to Congress and the President through the Secretary. The Civil Aeronautics Board shall continue to exercise its rule-making and adjudication powers independent of the Secretary. Finally, all of the budgeting, accounting, personnel, procurement, and management functions are to be performed under the direction and supervision of the Secretary.

Now, what are the reasons advanced for the plan? In so far as I can learn, they are about as follows: First, that it

will provide representation for Civil Aeronautics at a Cabinet table; secondly, that the work in this field can be coordinated with the work of the Weather Bureau and the Coast and Geodetic Survey; third, that it will prevent friction; fourth, that it will effect economy; fifth, that it will result in prompt translation of safe findings into remedial action; and, sixth, that the President will be more closely advised of developments in the field of civil aviation.

Let me offer some general observations on this whole matter. Despite the statement of the gentleman from North Carolina [Mr. WARREN], there has been no scandal in the C. A. A. It began a herculean task to take over the work of the old Bureau of Air Commerce, add to the personnel, set up an administrative system, establish field offices, and initiate the work which was authorized in the Civil Aeronautics Act. Considering the enormity of the task, it must be admitted that the C. A. A. and the Air Safety Board have done quite well.

If, as the gentleman from Missouri contended in his radio address of May 2, that sooner or later the aviation industry, along with other governmental activities in the field of transportation, will be consolidated in a newly created Department of Transportation, then why transfer the C. C. A. to the Department of Commerce now only to have to retransfer it to a new Transportation Department at some future time?

I cannot emphasize too strongly the fact that the President had authority to ask for resignation if alleged friction and discord existed, but seemingly the President, the Budget Bureau, and others preferred to use any existence of friction as the vehicle on which to black-out the independent character of this whole agency.

If it is economy which is desired, I share with the President that desire, but I am not insensible of the fact that the \$380,000 per year which is appropriated for the Air Safety Board can easily by mere action more than be offset by a single major air accident.

As for the investigation record of the Air Safety Board, the true fact is that in the last 21 months it has investigated 2,947 crashes, transmitted 2,300 accident reports, and made 115 remedial recommendations. In the light of all these circumstances, it is an excellent record.

Say what you will, the appropriations for the Civil Aeronautics Board if it is ever transferred to Commerce will be under the direction of the Secretary of Commerce. He will appear before the Budget Bureau. He will appear before the appropriations committees of Congress. He will have power to shift appropriations within his own Department and put this agency on meager rations if he is so disposed. Under such circumstances I would find it difficult indeed to believe that it will not become just another bureau among many bureaus in the Department of Commerce, and that it would constitute a backward step for the civil-aviation industry.

This Congress will concur in a genuine service upon the air-traveling public of this country, upon a growing industry, upon the pilots, upon the investors, and upon every part which has an interest in aviation by repudiating the plan which is now before us when it comes on for a record vote.

[Here the gavel fell.]

Mr. DIRKSEN. Mr. Chairman, I yield myself 6 additional minutes.

Mr. Chairman, the act specifically states that all the procurement, personnel, management, and Budget functions shall be carried on under the direction and supervision of the Secretary of Commerce. Thus Mr. Hopkins will inherit an agency of 5,000 people, a normal appropriation of \$27,000,000 for 1941; and do not for a minute think that he will not use that authority. If I am to run an agency, I want to pick out the people. If you will just let me pick out the people to run the show, you can take all the rest of it, but I will be able to impose my policies and my thinking on that agency. Well, you are going to bury this in bureaucracy such as we had starting with 1926 and continuing to 1938. All right, if you want to go back to that, O. K., then vote against the disapproval of this plan. But if you believe that this agency has done a good job in the interest of

safety, the regulation and encouragement of aviation, then the thing to do is to disapprove Reorganization Plan No. 4.

The second major reason is this: The Civil Aeronautics Board under this Authority will still make rules, they will still make regulations, they will still do the adjudicating, they will still issue certificates to pilots, they will still issue certificates to aircraft. All right. They are making the traffic rules, and ostensibly they ought to make an independent investigation of safety. But let us see about that. Suppose they issue a certificate to a piece of aircraft that is faulty as in the case of the one that dropped at Oklahoma City which had a bad propeller, an old-style propeller, and an old-style, obsolete control mechanism. When they investigated this what happened? The very fact of human nature dictates that they will have to whitewash themselves. Am I right, I ask the gentleman from Kentucky?

Mr. MAY. That is right.

Mr. DIRKSEN. You would not reproach yourself. Obviously you could not. The mistake was made in the first instance to issue a certificate to a defective piece of aircraft. They are expected to investigate it, but all the Presidential rhetoric, all language that the President or anybody else can pack into any kind of order, or regulation, or plan, cannot offset the persuasive force of human nature, that you are not going to hurt yourself when the record comes in. So when the Civil Aeronautics Board under this plan investigates itself there is not a Member in this Chamber who cannot dictate the answer in advance. That is what is wrong with this thing: The cause of public safety will suffer. The Civil Aeronautics Board becomes the judge, the jury, and the prosecutor. I say to you that I shall never give my support or endorsement to that kind of plan.

How singular, Mr. Chairman. It is exactly 2 years ago this afternoon that we were first debating the Civil Aeronautics Act. It came on this floor on the 7th of May, 1938. It went into effect on the 22d of August 1938. Two years to the day from the time we were debating the creation of the Civil Aeronautics Authority here comes a plan to push it into oblivion despite the pilots, despite the industry, despite the insurance underwriters, despite anybody who has an interest in aviation. That is the story in a nutshell.

They say to me, Oh, the Air Safety Board only has authority to investigate and then to recommend remedial action. How short-sighted and stupid that statement. They have a far more potent force at their command. It is to investigate and put it on the front page and let the public do the rest. On May 6, 1935, in the small hours of the morning Senator Cutting fell out of the sky at Mason, Mo., and came to an untimely death. What brought about the Civil Aeronautics Authority and the investigation was a great surge of public sentiment as the result of the untimely death of a very promising and virile young Member of the United States Senate. That created the Civil Aeronautics Authority. Gentleman on the Democratic side, in spite of whatever your loyalty may be, are you going to be a party to retarding the progress of civil aviation in the country by pushing us back more than 5 years over the time that the progress was made? [Applause.]

Mr. COCHRAN. Mr. Chairman, I yield myself 20 minutes.

Mr. Chairman, I anxiously awaited the speech of the gentleman from Illinois [Mr. DIRKSEN], because if there is any one man on the Republican side of the House who should know something about the Civil Aeronautics Authority it is the gentleman from Illinois, who just preceded me. He is a member of the subcommittee that handles the appropriation for the Civil Aeronautics Authority. He has always been most attentive to his duties by attending all meetings. The gentleman from Illinois stated there is danger in Mr. Harry Hopkins, Secretary of Commerce, spending \$27,000,000. If the gentleman understands the law and if he understands the decisions of the Bureau of the Budget, as well as the Attorney General, he will find that Harry Hopkins cannot spend 27 cents. He also talked about Mr. Smith shirking his duty.

Mr. DIRKSEN. Does the gentleman care to yield?

Mr. COCHRAN. I yield.

Mr. DIRKSEN. I am sure the gentleman is familiar with the terminology of plan No. IV and with the fact that bud-

get, accounting, personnel, procurement, and related routine management functions of the C. A. A. shall be performed under the direction and supervision of the Secretary of Commerce through such facilities as he shall designate or establish.

Mr. COCHRAN. I will define that for the gentleman. My definition of that is a little bit different from yours.

Mr. DIRKSEN. Yes, but the gentleman is not going to formulate the definition. Mr. Hopkins is going to do that.

Mr. COCHRAN. The gentleman is not going to formulate the definition for me either and he is not going to make it for the Budget Director.

They have a division in the Department of Commerce that attends to all such matters. Is there any harm in saving the taxpayers' money by letting them use these services for the Civil Aeronautics Board when it is only paper work. That is going to be the extent of the control of the Secretary of Commerce.

The gentleman spoke about Mr. Smith and stated that he did not attend to his duties, but Mr. Smith is no longer a member of the Civil Aeronautics Authority or Board of Air Safety. He is out of the picture.

Mr. DIRKSEN. For clarification, the gentleman knows that the statement that was made—

Mr. COCHRAN. I know he is no longer there.

Mr. DIRKSEN. That is quite beside the point. There is a vacancy there and it can be filled at any time.

Mr. COCHRAN. He has another job and he is performing it very well.

Mr. DIRKSEN. Why did not the President discharge the members of the Air Safety Board?

Mr. COCHRAN. Mr. Smith is supervising the construction of the greatest airport in the world just across the Potomac River.

Mr. DIRKSEN. What has that to do with the Air Safety Board?

Mr. COCHRAN. Nothing; I want to show he is not with the Board.

I do not think there is anything I can possibly say that will have any effect on the Members to my left, because, as usual, reorganization becomes a political football, and, as your leader, the gentleman from Massachusetts [Mr. MARTIN], announced, there is not one Member on the minority side who will vote to support the President. Further than that, a lady, a member of the Republican National Committee, announces this morning how autocratic the President is in following out his obligations and responsibilities in trying to put his own house in order. So I am going to direct my remarks to my colleagues on the Democratic side of the House.

Mr. Chairman, I regret this is a partisan issue. I have never looked upon reorganization from a partisan standpoint, and I have been a member of every reorganization committee that we have had around here since the days of President Hoover.

Just what does the President do? As the gentleman from Illinois said, he puts the Civil Aeronautics Authority in the Department of Commerce and abolishes the Air Safety Board. You will remember how the gentleman from Ohio [Mr. CROSSER], when the reorganization bill was up, argued, "Do not give the President the power to destroy functions." When the bill finally became law there was a provision in it which denied the President the right to destroy functions; so no matter what you might say, under no condition can the President of the United States, or anyone else, destroy the functions of the present Civil Aeronautics Authority or the Air Safety Board. Bear that in mind.

The gentleman from Illinois spoke a moment ago about the Civil Aeronautics Authority getting the power to make investigations. Is it not making them now? But he complained about investigating themselves in the event that they might issue a certificate and the plane was later found to be faulty.

Now, who is Chairman of the Air Safety Board? Mr. Tom Hardin. What position did he occupy—and he might occupy it yet for all I know? He is vice president of the Pilots'

Association. Has not Mr. Hardin been investigating his fellow pilots, members of the association of which he was vice chairman? You do not complain about Mr. Hardin investigating accidents in which pilots are concerned. Why complain because the Civil Aeronautics Authority investigates accidents? Be consistent.

Some statements have been made about the Air Safety Board and how it has functioned. The gentleman from Illinois said if there is friction in the Department, and friction saves life, give us more friction. He indicates that the Air Safety Board is responsible for the saving of lives.

The gentleman from Illinois sat in the hearings when Mr. Hardin appeared, and if you will refer to his testimony, you will see that he said, in attempting to justify the \$380,000 which he sought for the Air Safety Board:

At the present time the Air Safety Board is in arrears some 1,022 accident dockets which have not been analyzed and acted upon by the Board.

When was that? That was in December 1939, and the act had only been in operation since June 1938. Yet they are 1,022 dockets in arrears in 18 months of operation. How many are they in arrears now? Mr. Hardin, the man who made that statement, is the one who kicked up this fuss just as soon as the President announced this plan. His effort is to save his job. The propaganda has been inspired and is one-sided.

The president of the Air Pilots' Association, who was president when Mr. Hardin was vice president, sent the pilots on here and he said they knew nothing about politics, but I am told they were pretty well schooled when they got here. I say they are a fine set of men, but badly misinformed. They saw the various Congressmen. They did not come to see me. I do not know why. I was going to try and arrange to have them name a committee of two or three to go with me to see if I could not get them an audience with the President to let him explain the order, but they never came near me. Of course, I know I am only one Member of this House, but nevertheless, I was chairman of the reorganization committee. They did not ask for any hearings—simply put, or tried to put, the pressure on Members.

They said they were a lobby to save lives. I hope they always save lives. I do not want to see anyone get killed in an airplane accident or in any manner any more than anyone else does, and I know no Member of this body, or any public official, wants to see anyone get killed; but when these gentlemen come here and try to tell you that the Air Safety Board is responsible for the great record that has been made in recent months, which was celebrated here just a few weeks ago, they are certainly taking a lot of credit away from themselves. It is those very pilots, coupled with the cooperation of the air-line corporations, as well as the rules and regulations of the Civil Aeronautics Authority, that are responsible for what has happened in safety in air. Do not let anybody tell you any different. That resulted in the outstanding record that has been made, and which we all hope will continue to be made.

Just look at the difference in the situation that prevails now and what formerly prevailed. I recall that while I was in St. Louis everyone was shocked by reading of a great disaster in the southwestern part of the country. One of the finest ships in operation at the time was destroyed and the pilots and everyone else in it lost their lives. A friend of mine called me up over the telephone and told me that the weather bureau at Denver twice broadcasted and also sent telegrams to all the air fields in the southwestern and western part of the country predicting the most serious electrical storms in years, and warned the companies to keep their ships on the ground. The slogan then was not "The lobby to save lives"; the slogan at that time was "Keep the air schedule." Instead of following out the recommendations of the United States Weather Bureau and staying on the ground, they took off, and every one of them lost their lives.

I saw some reports in reference to that storm. I read the report of an old gentleman who ran a little store up on top

of one of the mountains. He was about 70 years old and was an observer for the Weather Bureau. He said he was born and lived in the vicinity all his life, but never saw such an electrical storm, and it was in the area the pilot was supposed to go through.

Today you have to have a certain ceiling, a certain clearance, not only at the place where you take off but where you are going to land, or you stay on the ground. They obey storm warnings; there is cooperation now. That is what has caused this great record to be made, and not the Air Safety Board, because the Air Safety Board has absolutely nothing to do with the making of rules and regulations. Their sole responsibility is to investigate. They go to the scene of an accident, and another set of investigators from the Civil Aeronautics Authority likewise go. They are both on the same job. They cooperate up to a certain point, then they go in different directions. They both make their reports. The Air Safety Board makes recommendations if it seems justified in doing so, and there their responsibility and authority end. They could not change a regulation, they could not make a regulation if they desired; only suggest.

To say the Civil Aeronautics Authority itself cannot perform the duties of the Air Safety Board is foolish. It is surprising to me that some of the gentlemen on my left who are so interested in economy have not long since offered an amendment to some legislation on the floor of the House to stop this duplication of work, thus saving money.

Mr. GIFFORD. Mr. Chairman, does the gentleman care to yield?

Mr. COCHRAN. I yield to my friend.

Mr. GIFFORD. The gentleman made a remark a little while ago that he never has treated this as a political matter. I want to pay a great tribute to his loyalty to all these measures. He finds no fault with any of them. To illustrate that, "He told the maid to ask his wife, who was going to Florida, if he was going, too."

Mr. COCHRAN. The gentleman from Massachusetts is always interesting, but I was surprised he did not have something to say today that was worth while and that someone could answer.

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. In just a minute.

I want to get to the independence of the Authority, about which the gentleman from California [Mr. LEA] and the gentleman from Massachusetts [Mr. GIFFORD] spoke. The Director of the Budget—and his conclusions were concurred in by the Attorney General—wrote the Secretary of Commerce, in reply to his request for information, telling the Secretary he has absolutely no power and no authority to discharge any of the duties of the Civil Aeronautics Authority. The law provides that they must report to the Congress and to the President. The President did not even have the power to change that requirement, because that is part of the Authority's functions. They are still going to report to the Congress and to the President, but the Secretary of Commerce will bring the report to the White House. That is what he is going to do with that. The Director of the Budget further pointed out that when the Authority makes its reports the Secretary of Commerce cannot delete one word. He also told the Secretary the Authority is in no way divested of its power in connection with the personnel. The Authority still controls the personnel, and do not forget that the personnel is under civil service. Do you know that? You talk about politics. How about the Administrator? Do you know him, Everett?

Mr. DIRKSEN. I know him very well, personally.

Mr. COCHRAN. He is a wonderful fellow, is he not?

Mr. DIRKSEN. Yes; I will say for Mr. Hester that he is a good Administrator, but he has never had an hour's experience in the air. That was the testimony before our committee.

Mr. COCHRAN. He is doing a fine job, is he not?

Mr. DIRKSEN. I am wondering why Reorganization Plan No. III was brought in to clarify the authority between the Administrator and the Authority.

Mr. COCHRAN. Because the law did not specifically define their duties.

The President was not required to place a civil-service man in the position of Administrator. If he had wanted, he could have placed a politician in that most important position.

[Here the gavel fell.]

Mr. COCHRAN. Mr. Chairman, I yield myself 5 additional minutes.

The President could have put anybody he desired in that position, because it was exempted from civil service, but what did he do? He picked up a career man, a man who has had nearly 30 years of service as a civil-service employee with the Federal Government—I do not believe anyone knows his politics, if he has any—and the President made him the Administrator. There is no evidence there that the President has ever tried to inject politics into the Civil Aeronautics Authority. He has tried to make the Air Safety Board function without success.

Now, on this same question of independence, it might be well to point out that other independent boards function in an entirely satisfactory manner in the Department of Commerce at present and in other departments as well. The Bureau of Marine Inspection and Navigation is one of a number of quasi-independent agencies in the Department of Commerce, and there are many others in departments. Let me read this quotation regarding these independent agencies in various Government departments:

They are expressly established by law rather than by departmental action; their functions and procedures are largely created by law; under the law they make their own decisions or orders independent of the head of the department within which they are located; the law provides that their action may be final, or that appeals from it lie not to the head of the department but to the courts; they, rather than the head of the department, are responsible for seeing that the law under which they operate is enforced. (From pp. 41-42, Federal Regulatory Action and Control, by F. F. Blachly and M. E. Oatman, Brookings Institution.)

Under the President's Reorganization Plans Nos. III and IV, the Civil Aeronautics Board within the Department of Commerce will be operating under its own law, the Civil Aeronautics Act of 1938, which is an entirely different situation from the old type of organization within the Department of Commerce, when the Bureau of Air Commerce was set up by the Secretary of Commerce by virtue of his own executive authority and was therefore subject to his complete domination.

This Board and not the Secretary of Commerce will be responsible under this basic law.

The plain intent of Congress was to separate the economic regulatory functions of the Government from the administrative problems attached to the enforcement of these regulations. It was plainly intended that the Authority should be relieved of as much of the administrative problem as possible, in order that it might have the freedom to consider and act promptly on the problems of economic regulation. For this purpose an Administrator of Civil Aeronautics was set up. The very complexity of the subject has, as shown by experience, to a large extent nullified this distinction which was plain in the legislative intent, but which the wording of the act itself was inadequate to make effectual. The President's Reorganization Plans Nos. III and IV not only cure these organizational defects but take advantage of all the experience gained in the operation of this act.

Based on experience, the Weather Bureau is transferred to the Commerce Department. The Coast and Geodetic Survey is already a part of the Department of Commerce, and the coordination of its aeronautical functions with those of the agencies now being transferred brings all Federal agencies related to civil aeronautics into one close-knit administrative agency. The President's plan thus takes advantage of all the experience gained both prior to and after the enactment of the Civil Aeronautics Act.

We are not dealing with a small agency now. This is the fastest-growing industry in this country. Last December \$600,000,000, according to the Chairman of the Board, was invested, and they say that by this time \$1,000,000,000 has

been invested in commercial aviation. During the present year \$108,000,000 is being spent by the Government in connection with aviation. This money comes from the taxpayers and must be safely guarded.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. I yield to the gentlewoman from Massachusetts for a question.

Mrs. ROGERS of Massachusetts. I am very glad that the gentleman will yield. In 1934 and on March 9—

Mr. COCHRAN. I thought the gentlewoman was going—

Mrs. ROGERS of Massachusetts. I am, in the interest of safety—

Mr. COCHRAN. I must go along with this. I appreciate the gentlewoman's interest in safety. She has often demonstrated her interest.

Mrs. ROGERS of Massachusetts. It is only for safety and you would not yield to me then and adjourned the House rather than let me speak.

[Here the gavel fell.]

Mr. COCHRAN. Mr. Chairman, I yield myself 5 more minutes.

This sum of money I just mentioned before being interrupted warrants that the President be continually advised of the operations of the Civil Aeronautics Authority and what is going on in all branches of aviation. How is he going to be advised continually except by having someone at the Cabinet table to tell him what is going on? With over 125 independent agencies in this Government, you know as well as I know it is absolutely impossible for the President to see the heads of these agencies as often as he should see them, but in this way you have the Secretary of Commerce bringing reports to the Cabinet table as to what is going on in commercial aviation; and, furthermore, civilian instructors of the Authority are now training cadets for the War Department on commercial fields. There is a hook-up between national defense and the Civil Aviation Authority. Do not overlook that. It is a proper matter to be discussed when the Secretary of the Navy, the Secretary of War, and the Secretary of Commerce are all sitting around the table with the President.

I am not only in favor of this order but I would go much further, and there are some of you here now who will be here at the time when what I say now is going to be an absolute fact. It will not be very long before you are going to be asked to create a Department of Transportation in this Government, with a Secretary of Transportation sitting at the Cabinet table.

That day is coming, and you will have all forms of transportation in that Department of Transportation, rail, water, air, motor carrier, and so forth. It is an absolute necessity that this work be coordinated. For the time being, in the interest of economy and efficiency, I say to you that a grave mistake will be made if you do not sustain the President's recommendation with reference to placing the Civil Aeronautics Authority in the Department of Commerce and to provide for the abolition of the Air Safety Board.

You have a pilot-training program going on in 437 colleges.

You have dozens of factories manufacturing aircraft.

You have had over 2,000,000 passengers traveling over recognized air lines in the last year.

You have a billion dollars invested in the industry with thousands of stockholders.

I have received letters and a resolution adopted by the pilots' organization. Aside from that not one protest has reached me in opposition to the President's proposal. I am confident the pilots' opposition was inspired.

This order is for the betterment of aviation in all its branches. [Applause.]

Mr. DIRKSEN. Mr. Chairman, I yield such time as he may desire to the gentleman from South Dakota [Mr. BURDICK].

Mr. BURDICK. Mr. Chairman, I do not wish to be numbered among those who assert that the reason why the President desires to transfer the duties of the Civil Aeronautics

Authority to a new board under the Department of Commerce is to obtain political control of our air service. I am of the opinion that he feels this move will insure more safety and efficiency in making some department of the Government responsible. However laudable his purposes are, I do not agree with this transfer.

One body of men is solidly opposed to the transfer—the Air Pilots Association. While it has been said that this organization numbers about 150 men, yet it speaks with a power that mere superior numbers cannot refute. These men are the ones who risk their own lives every day and every night; these are the men into whose keeping the lives of millions of our citizens are committed annually; these are the men who for the past year have so piloted their planes that no major accident has occurred. Whose evidence shall we take, if not that which these men can give? Shall we listen to some spurred officer in the Department of Commerce, whose only use for spurs is to keep his feet on a mahogany desk? Shall we listen to some political leader who pretends to know more about airships than the men who build them and the men who operate them?

No, Mr. Chairman; I have heard the evidence. The pilots have spoken; and being wholly without better evidence, and being myself unfamiliar with the operation of this dangerous business, I will rest my case with their testimony, whether they number 150 or less. I shall vote to resist the transfer of the Civil Aeronautics Authority to the Department of Commerce. [Applause.]

Mr. BRADLEY of Michigan. Mr. Chairman, this is a very important debate here today, and I make the point of order that there is no quorum present.

The CHAIRMAN. The gentleman from Michigan makes the point of order that there is no quorum present. The Chair will count. [After counting.] One hundred and one Members present, a quorum.

Mr. DIRKSEN. Mr. Chairman, I yield 13 minutes to the gentleman from Oklahoma [Mr. NICHOLS].

Mr. NICHOLS. Mr. Chairman, I thought as late as this morning that I probably might support the President's reorganization plan because I wanted so much to conform with his wishes. However, after putting the last 3 hours before lunch into a study of the reorganization suggestion, together with certain letters written by the Bureau of the Budget, I find the plan in such a state of confusion that in the interest of a great young industry, and in the interest of the flying public, that much as I would like so to do, I cannot help but oppose the plan, and in so doing raise my voice against it. And therefore, Mr. Chairman, I take this time at the risk of being misunderstood. The gentleman from North Carolina [Mr. WARREN], when he was on his feet earlier in the afternoon, pointed to his record in support of the President. Well, I can point to a rather good record myself in support of those things which have been proposed by the President. I think in this instance that the President has not been properly advised. He is the busiest man probably in the United States; certainly he has more responsibility. And I venture the assertion that the President—and I make this assertion from reading press releases that he has given, and after seeing those press releases, I have read this proposed reorganization plan—I venture the assertion that the President does not know what is in this reorganization plan and I venture the further assertion that the men or the people who wrote it have not properly advised him as to what is in the plan.

I do not want to court the disfavor of the President. I was one of those who exerted my every effort side by side then with the President to have this Civil Aeronautics Authority created. It is deeply embarrassing on me at this time, knowing how the President feels about this matter, to find it necessary to be in opposition to his proposal. Obviously he must delegate to others the responsibility of detail. This cannot be escaped by any busy executive, and I repeat that the President, in the very nature of things, is not familiar with the garbled, the ill-advised, the confused details, contained in this reorganization plan.

I am not here, certainly, to defend the Air Safety Board. For the purposes of my argument, I am willing to admit that

they should be fired. This is not a trial of Hardin and Allen. This is a matter of whether an independent agency which has done a grand job is to be scuttled into another bureau, where it cannot longer properly function. Let Allen and Hardin be convicted, so far as I am concerned. If the President is tired of them, and if they are not doing a good job, he had but to fire them, and if he cannot do that, then he had but to send to this House a reorganization plan which would have abolished the Air Safety Board, and left the rest of the Civil Aeronautics Authority against which not a single man has raised his voice today. It could stay there and function in the orderly manner that it was intended to function in the light of the action of the Congress less than 2 years ago.

My distinguished friend, the gentleman from North Carolina [Mr. WARREN], said that the Air Safety Board has bought more airplanes than it knows what to do with, except to go joy riding in them. Mr. Chairman, I am not defending the Safety Board now, but the Air Safety Board never bought any airplane. The Air Safety Board cannot purchase an airplane. That function lies only in the Authority itself, and it is a rule of the Board and of the Authority, and a good rule, that when planes owned by one branch of the Authority are not used by that branch that they be used by other branches of the Authority to save the expense of buying additional airplanes. It is a good rule.

The gentleman from North Carolina [Mr. WARREN] said that the industry is not against this reorganization. The president of the Air Transportation Association, Colonel Gorrill, sits in the gallery this minute, and, I presume, can hear my voice. Many of you know him. Call him to witness if the statement I am about to make is untrue. Every mechanic, every pilot, every executive, every air line, manufacturers, even, oppose Reorganization Plans III and IV and no one can gainsay that.

Let me take you through a few brief steps of what this thing will do if this is put under the Department of Commerce. This reorganization plan was born in confusion, and it is here in confusion. Follow me if you will, for I have written this so that I will not be liable to make mistakes. The confusion which Plan III, coupled with Plan IV, reorganizing the Civil Aeronautics Authority, will cause can be illustrated best by showing what an air carrier—and I mean an air line—would have to do, if these two plans are adopted. An airline carrier comes before the new Board that comes under the Department of Commerce, and it comes in there for authority to do business before it starts its operation. First, the carrier, before it starts to operate, will read the Civil Aeronautics Authority Act, and it will find very many provisions for administrative action. I am talking now about the present act. Then it will have to go to the Statutes at Large and the Federal Register to find plans III and IV now under consideration. It will notice in their terms a number of very ambiguous phrases from which it will gather the impression that there are two separate agencies in the Department of Commerce.

First. The Board and their Administrator exercise different ones of the various powers set forth in this act.

Now, follow me. Under your reorganization plan you come under the Department of Commerce, and there will be set up one agency as a Board and the other as Administrator. Now, follow me. Then, if the company is fortunate enough to know about a letter from the Budget Bureau to the Authority dated May 2, 1940, which is an interpretation or an attempt to interpret what Reorganization Plans III and IV mean—it has been read. Of course, it is not law and never will be, but the Budget Bureau attempts, and uses page after page, to straighten out whoever is muddled up on what this means. This air carrier had better be cognizant of it, too, when he makes his application.

As I say, if it is fortunate enough to know about a letter from the Budget Bureau of May 2, 1940, which tries to explain some of those broad generalities in the plans, it will look for that letter.

Third. The Reorganization Act requires that the terms of a reorganization plan be set out in the Statutes at Large and in the Federal Register. But it says nothing about the long

explanatory interpretations from the Bureau of the Budget. So our air carrier will have to hunt up the letter somewhere else, and if there are any mimeographed copies left, it will probably get one.

Armed with these data our air carrier will go into the matter with its attorneys and start out rather bewildered to find which agency does what. First, the carrier will have to get a certificate of convenience and necessity from the Board. To do that it will have to prove that it is fit to operate between certain points. After it gets the certificate it will find that it must have a safety operating certificate. For that, under this plan, it must go to the Administrator and it must prove that it is fit to operate to certain points.

Two sets of witnesses under two different administrative heads to prove a single thing, both of them within the same Authority. Follow me.

For that purpose it will perhaps want to subpoena some witnesses. Now, listen. It will look to the act to find that the power to subpoena witnesses is given in title X. It will then read the Budget Bureau's letter and find that all the powers of title X shall be in the Board. So that although its hearing is before the Administrator it will have to go to the Board to get subpoenas issued for the witnesses to testify before the Administrator. If the Board and the Administrator disagree about the fitness of the carrier to operate, the carrier can go nowhere except to the courts, and if it wants to appeal from a ruling of the Board, a specific appeal is given to it to the circuit court of appeals. But if it wants to appeal from a ruling of the Director, unless the Walter Act is passed, it has no appeal.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. DIRKSEN. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. NICHOLS. Mr. Chairman, of course, I cannot even start through this in 2 minutes.

Then the carrier will examine the terms and conditions prescribed by the Board in its certificate of convenience and necessity and the terms prescribed by the Administrator in its operating certificate, to see if they are consistent. If they are, it can go ahead. If they are not, it is stymied again. And even after the Administrator acts, the Secretary of Commerce may step in and revise or overrule his action. The carrier will find that out if it happens to read *Knight v. United States Land Association* (142 U. S. 161).

When it starts to operate the carrier will have to examine some safety rules issued by the Board. Then it will have to check the terms in its operating certificate again to see if they conflict with those rules. If it thinks they do, it will go back, not to the Board, but back to the Administrator, and tell him that the terms prescribed by the Administrator conflict with the rules prescribed by the Board. Hurley-gurley, flippity-flop. [Laughter.] The carrier's lawyers will fumble in their brief cases until they find a mimeographed copy of the letter of the Bureau of the Budget, which says that the Administrator is to be bound by the rules of the Board, and the Administrator will reply that the reorganization plan set forth in the Statutes at Large, as required by the Reorganization Act, says no such thing, but simply gives him the power to issue safety operating certificates. There you go. Hurley-gurley of the worst kind.

I will not stand here and permit the President of the United States to be charged with this kind of knowledge. He does not know what is in this thing. You pass this reorganization bill and you are retarding the progress of aviation in the United States by 15 years, I bound you. [Applause.]

There is no more important, young, struggling industry today than that of aviation, and none more hazardous. I do not want for the Air Safety Board credit for saving all of these lives, but I do want it for the pilots and the Civil Aeronautics Authority, and I want them both let alone. I do not care what you do with the Safety Board, but you surely do not have to reorganize all of the Government to fire two men or abolish a board. [Applause.]

If, however, the Administrator believes that the Bureau of the Budget's mimeographed letter was correct, he will then have a hearing and argument before him to determine whether his terms in the certificate conflict with any rule made by the Board. After he reaches his decision the Secretary of Commerce can, of course, revise or overrule his decision.

Suppose he decides there is no conflict. That will not help the carrier, because if it violates a safety rule, it can be severely fined. To determine whether there is a conflict between the Administrator and the Board, it will have to go to the courts.

But finally—we hope—the carrier will begin to operate. It will again have to look to the safety rules of the Board to see how it should maintain its equipment. But it will have to deal with the Administrator's inspectors in trying to follow those rules.

Suppose the Administrator's inspectors and the carrier disagree about the meaning of the Board's rules. The carrier may suggest that they go to the Board to find out what the rules mean. But the inspectors will reply that they are under the direction of the Administrator. So the carrier will go back to the Administrator, and from him, perhaps, to the Secretary of Commerce.

Suppose they uphold their inspectors. The carrier will then, to protect itself, inform the Board that it is doing so-and-so as directed by the Administrator and the Secretary of Commerce. But the Board will reply that their rules mean what they say, and the Administrator and the Secretary of Commerce cannot revise them.

Again the carrier will have to go to court to get the conflict settled.

Now suppose the Board looks into the carrier's operations and decides that an operating certificate should not have been issued by the Administrator. It proposes to revoke the certificate. The carrier pleads that the Administrator issued the certificate as he was empowered to do. The Board replies that under the act it may revoke a certificate for any reason which in its judgment would justify a refusal to issue one in the first instance.

Again the carrier has to go to court to get the Administrator and the Board into line with each other.

Or suppose the Administrator decides to amend the certificate so that the carrier can no longer fly from A to B to C but must fly from A to B to D. The carrier starts flying to D. But then it hears from the Board that jurisdiction to revoke a certificate in whole or in part is vested in the Board and not the Administrator; that the Administrator's change was not a mere amendment but a revocation in part of the certificate; that therefore the carrier must continue to fly to C.

Again the carrier must go to court to get the matter straightened out.

Then suppose the carrier has an accident. The Board investigates it and blames the Administrator's faulty inspection. To protect himself the Administrator has his own inspectors investigate it and blames the Board's safety rule on minimum visibility. The Secretary of Commerce sustains the Administrator and says so. The Board announces that it is independent of the Secretary.

The next time the carrier has an accident there is a truce between the Board and the Administrator.

They both blame the pilot.

That is safe.

There will be no recrimination.

There will be no controversy.

Because the pilot is dead!

After a while our air carrier will go to another air carrier to find out how things were in the old days.

"In the old days," it will be told, "that is, B. R.—before reorganization—things were different. Things worked smoothly then."

"Didn't you have an Administrator then?" it will ask.

"Oh, yes," comes the reply. "But then the old Authority assigned administrative functions in regard to safety regulation to the Administrator and he had to perform them under

the direction of the Authority. Then there was no question who had the power to tell us what to do. Then there was no conflict of power or division of responsibility."

"Another thing," the old air carrier will add. "In the old days, that is, B. R.—before reorganization—there was an Air Safety Board to investigate accidents. That Board had nothing to do except to find out what happened. It had no axes to grind, no responsibility to evade."

But that was all before reorganization.

[Here the gavel fell.]

Mr. DIRKSEN. Mr. Chairman, I yield such time as he may desire to the gentleman from Minnesota [Mr. YOUNGDAHL].

Mr. YOUNGDAHL. Mr. Chairman, like many another measure before Congress, this proposal is a combination of a little bit of good and a lot of bad.

The general idea of a reorganization of the executive departments was granted to the Chief Executive, unless the Congress disapproved, under the plea of less cost and greater efficiency.

Neither of these aims, in my opinion, would be promoted by this fourth reorganization plan.

It is my desire, however, to confine my remarks to but two provisions of this plan, the transfer of the Civil Aeronautics Authority to the Department of Commerce and transfer of the enforcement provisions of the pure Food, Drug, and Cosmetic Act from the Department of Agriculture to the Social Security Agency.

For years the aviation industry and development of this country was kicked from pillar to post. New regulations and new agencies were created, transferred, and killed and re-created.

Two years ago the Civil Aeronautics Authority was created with full authority to regulate and control aviation. That Authority took the place of a bureau in the Department of Commerce.

For the first time aviation was put on a secure footing, its problems handled with understanding and foresight, its regulations based upon sound knowledge of the best interests of aviation.

Commercial air-line aviation has just completed a full year with the outstanding record of not one passenger fatality. This record has been achieved under the guidance of the Civil Aeronautics Authority.

Ten thousand new civilian pilots are now completing their training with the amazing record of but one death to date. Not only that, but this enormous training program has been completed with a new record for low cost of instructional flight.

Now it is proposed to wipe out this Authority and return it to its former status of a bureau under the Department of Commerce, back to the place where it was such a failure 2 short years ago.

In my opinion, the Civil Aeronautics Authority is one of the outstanding independent agencies of our Government today. Its efficient management, intelligent regulations, and its record for safety and growth of aviation are outstanding.

To reduce such an independent agency to the status of a bureau under the budgetary control, if not coercion, of another department would be to again set back the sound growth and progress of aviation in this country. It would be a blow to the development of commercial aviation and an undermining of one of the most important defensive arms of our Nation.

The proposed transfer of the enforcement of the Pure Food, Drug, and Cosmetic Act from the Department of Agriculture to the Social Security agency, in my opinion, not only is ill-advised but follows much the same pattern as the other transfer—demotion because it has proven its efficiency.

The Department of Agriculture has administered the pure Food, Drug, and Cosmetic Act since its inception. It has done so with fairness and in a manner which has met the general approval of both manufacturer and consumer. It has the personnel and equipment to make the necessary analyses and to set the required standards, and in the determination

of violations and other matters of enforcement much of the work has a direct relation to other activities of this Department.

Now, to transfer this enforcement activity to the Social Security agency is to rob this act of its years of successful and satisfactory enforcement experience to place it under the jurisdiction of an agency wholly unequipped to handle such enforcement.

Such a transfer, with all the best intentions in the world of all those concerned, cannot but be a step backward in the enforcement of one of our important protective statutes.

Mr. Chairman, I hope this House will express in no uncertain terms its disapproval of this fourth reorganization plan. [Applause.]

Mr. DIRKSEN. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. VORYS].

Mr. VORYS of Ohio. Mr. Chairman, I started to fly in 1916; flew overseas with the British and French; wrote a report for the Navy on the organization and operation of a naval air station; was Ohio's first director of aeronautics; have written articles on air law. I have not a dime's worth of aviation stock. I do not represent any aviation company. I am not even a qualified pilot any more, but I am not uninformed or glib or selfish when I say to you, as seriously as I can, that defeat of plan IV is a fight to save lives. After 24 years of aviation experience and observation, I know that what aviation needs is expert, unbiased, unpolitical regulation and supervision in order to live, in order that those who fly may live. We have it now. We will not have it under plan IV.

The present C. A. A. set-up is unusual, and probably anathema to bureaucrats, for it provides for a division of executive, quasi-judicial, and inquisitorial powers and responsibilities. With its unparalleled practical success, this set-up should be duplicated in other departments rather than destroyed.

The Administrator is the executive for air-navigation facilities, developing and promoting 24,249 miles of civil airways, and surveying more, with a staff of 2,623.

The C. A. A., a 5-man independent quasi-judicial board with long terms, has a staff of 553 experts, inspectors, engineers, and so forth, for regulatory functions, for economic and safety supervision. In the past year they inspected and certified, as airworthy, 33,000 pilots, 12,000 aircraft, 32,000 students, 10,000 mechanics for ground duty. They had 345 formal docket cases before them. They grounded 48 pilots, recommended prosecutions of 15. If present trends hold we will have 10,000 pilots, 30,000 planes, 4,000,000 passengers in the next 2 years.

The Air Safety Board is another separate independent 3-man board to investigate accidents, to furnish an independent audit from a safety standpoint of the work of the Administrator and the C. A. A. It hires its own staff of 69 inspectors, engineers, and experts, has investigated 2,947 crashes, has made 115 formal air-safety recommendations.

Often there is not much left after an airplane accident. It takes an expert to find out what happened, and an independent and unbiased expert to tell what happened, but it is vital to air safety and progress to know what happened. Suppose the crash was caused by poor maintenance of a field or by a faulty beacon? Would the Administrator like that? Suppose it was caused by an unfit pilot who had just been certified by a C. A. A. inspector, or caused by a C. A. A. traffic regulation? Unbiased decisions in such cases require decisions made independent of C. A. A. and the Administrator.

That independence is destroyed by plan IV, under which the C. A. A. investigates itself, for the Air Safety Board is abolished, and the Department of Commerce hires the investigators, decides on pay, promotions, budget, and does the talking to the President and Congress. If that is independence, then Poland is still independent.

Others have told of the utterly astounding and unparalleled record of perfect safety the past year under the present C. A. A. set-up, with all air lines in the black, and with air-mail subsidy reaching the vanishing point. Whoever would change this set-up has the burden of proof. What are the reasons for change?

First. We are told it is to eliminate duplication; that the C. A. A. can investigate themselves and their inspectors can inspect themselves. This shows an utter failure to understand their functions. In our city we have a public prosecutor and a public defender. We could combine the two and let one man argue against himself, thus eliminating duplication, but only one with the omniscience complex of a petty bureaucrat or a dictator would claim that such an elimination of duplication would work.

Second. We are told it is for economy, will save two salaries, \$15,000. In view of the 61,000 added to the pay roll since the first reorganization plan, I have little hope for economy; but if this is economy, then expect next a proposal to abolish judges and let people decide their own cases in the name of economy.

Third. We are told that it will "simplify the task of executive management." Those are the President's own words, and here we find the real reason for the shake-up. Why does the expert regulation of safety in flying need "executive management"? Why does aviation need a place at the Cabinet table any more than the Interstate Commerce Commission, the Civil Service Commission, Federal Trade Commission, or the Veterans' Administration? The answer is aviation does not need the politicians; the politicians want aviation. This shake-up is a shake-down.

Here is the history of "executive management" of aviation in the Department of Commerce since 1933. Five qualified men wanting the job, Ewing Mitchell, who knew nothing about it, was chosen because he delivered Missouri delegates at the right time in Chicago, and the five were put under him. Then the five started sparring for positions and to oust Mitchell, until finally he was let out. Then Monroe Johnson, "Rowboat" Johnson, was put in and three of the five were reshuffled and as farewell presents were given inspection trips to far countries, from which only two returned alive, and Fred Fagg, a fine air-law man, came and soon left when he found what "executive management" meant. Then came Denny Mulligan, and then Congress wiped out the hideous mess and created the independent C. A. A. The Copeland committee had reported that "aeronautics within the Department of Commerce today is a stepchild." It was executive management that cost the lives of 12 pilots and millions of dollars in the air-mail cancellation. It is executive management that put "Rowboat" Johnson in the I. C. C., no doubt to administer safety regulations for rowboats under the new transportation bill, in order to make a place for the one man out of the whole C. A. A. set-up who now says a good word for plan IV. Executive management—political manipulation—is exactly what aviation cannot stand.

Fourth. We are told that freedom of the C. A. A. is not abolished because the President says in his order that it shall exercise some of its present functions "independently of the Secretary of Commerce." When the Germans went into Norway the announcement was, "You're free from the British now. You're independent. Give three cheers for independence. Whoever doesn't cheer will be shot." If the C. A. A. is transferred to the Department of Commerce, you know what will happen to anyone in the C. A. A. who does not cheer for independence.

Fifth. We are told that, because the President's family travels constantly by air, he is interested in air safety. I sometimes wonder about that. I suppose they all think that they are experts because they ride. Years ago I hauled plane-loads of politicians who thought they were experts in aviation just because they could go through bumpy weather without getting sick, and I know that interference of these nonflying experts, kiwi control, has hurt aviation immeasurably.

Sixth. We are told that the opposition to plan IV is selfish. At least no member of my family ever got \$5,000 down payment on a Government Fokker contract.

There are men here today, however, who have a selfish interest, the pilots. They want to live, and I suppose that is selfish, but when the slogan of the transport pilots is "I don't want to be the nerviest pilot but the oldest pilot," that

means safety for you and me and our families. They are fighting here because they know in detail, from past experience, what Department of Commerce control means. They have helped bury their comrades, they have seen trusting passengers pulled out of twisted wreckage—dead. That is why they call this a lobby to save lives. That is why we must defeat plan IV. [Applause.]

Mr. DIRKSEN. Mr. Chairman, I yield to the gentleman from California [Mr. HINSHAW] such time as he may desire.

Mr. HINSHAW. Mr. Chairman, I represent the western terminus of three transcontinental air lines all of the personnel of which are opposed to this reorganization order. This terminus is the Union Air Terminal at Burbank, Calif. Safety in the air and on the air lanes is vitally important to these people not only because of the fact that they fly thousands of hours, but because flying is their bread and butter.

They are evidently quite satisfied with the present status of air-commerce regulation and safety controls. They are enthusiastic about it. They want no change.

As a member of the Committee on Interstate and Foreign Commerce I have been very greatly interested in aviation legislation. As one who on occasion makes use of air-transportation services I am vitally interested in air safety. In considering the proposed Reorganization Plan No. IV I have given considerable study to the development of civil aviation and the effect of Federal control upon it and submit to the House a statement prepared for my purposes of study and from which much information may be gleaned.

The statement follows:

I. BACKGROUND OF FEDERAL REGULATION OF AVIATION

The Air Commerce Act of 1926 (44 Stat. 568), providing for the encouragement and regulation of the use of aircraft in commerce by the Secretary of Commerce, was the first recognition by Congress of the need for Federal regulation of aviation. The act, which provided only for the safety regulation of air commerce and made no provision for the regulation of the economic aspects of the industry, defined "air commerce" as "transportation in whole or in part by aircraft of persons or property for hire, navigation of aircraft in furtherance of a business, or navigation of an aircraft from one place to another in the operation or the conduct of a business." Among the safety features of air commerce which Congress specifically charged the Secretary of Commerce with fostering and regulating were included the following: (1) Registration of aircraft; (2) rating of aircraft as to airworthiness; (3) examination and rating of airmen; (4) examination and rating of air-navigation facilities; (5) promulgation of air-traffic rules; (6) issuance, suspension, and revocation of certificates; (7) establishment of civil airways and navigation facilities; and (8) recommendations to the Secretary of Agriculture as to necessary meteorological service.

Amendments to the original act on February 28, 1929 (45 Stat. 1404), and June 19, 1934 (45 Stat. 1113), gave the Secretary of Commerce, in addition to certain other functions and certain legal powers in connection with the exercise of the responsibilities enumerated in the original law, the additional function of the investigation of accidents in civil air navigation. Broad legal powers, including the power to administer oaths, issue subpoenas, take depositions, etc., were further granted as adjuncts in the exercise of this recognized aid to aviation safety.

The Aeronautics Branch of the Department of Commerce was subsequently changed to the Bureau of Air Commerce of the Department of Commerce and the regulation and the investigation aspects of air commerce were administered by this agency until the enactment of the Civil Aeronautics Act of 1938, which repealed the Air Commerce Act of 1926, as amended, and created the offices of the Civil Aeronautics Authority, the Administrator of the Civil Aeronautics Authority, and the Air Safety Board. This latter act provided not only for the exercise by the Civil Aeronautics Authority of all safety regulation of air commerce, formerly exercised by the Secretary of Commerce under the Air Commerce Act, but also further provided for the regulation of all economic aspects of the industry. The investigation of accidents and related safety functions formerly exercised by the Secretary of Commerce in addition to his rule-making and regulatory functions, was placed in the Air Safety Board, which was made independent of the Authority and was consequently placed in a position of impartially weighing facts and determining responsibility.

As a natural consequence to this independence of action in connection with fact-finding activities, the right—and duty—was placed on the Air Safety Board of making recommendations to the Civil Aeronautics Authority, predicated on such independently made and unprejudiced investigations, which, in its opinion, would prevent the recurrence of similar accidents in the future.

Coordination of safety and economic rule-making and enforcement powers in one agency and of investigatory powers in another

agency entirely independent of the other insofar as such investigatory functions were concerned was the result obtained by the Civil Aeronautics Act of 1938.

II. STATISTICS ON AIR-CARRIER AND NON-AIR-CARRIER SAFETY

Attached hereto as appendices are the following detailed statistical data taken from the official statistical records of the United States Government which depict in detail the safety record of the various phases of American aviation from the time the first official statistics were maintained (January 1, 1927) to the present time:

Appendix 1. Fatal-accident statistics for domestic scheduled air-carrier operation from January 1, 1927, through April 15, 1940.

Appendix 2. Fatal-accident statistics for foreign scheduled air-carrier operation from January 1, 1927, through April 15, 1940.

Appendix 3. Fatal-accident statistics for domestic scheduled air-carrier operation for the last 20 months under the Department of Commerce (January 22, 1937, to August 22, 1938) and the first 20 months under the Civil Aeronautics Authority and the Air Safety Board (August 22, 1938, to April 22, 1940).

Appendix 4. Domestic air-carrier operation and accident statistics for the yearly periods March 27, 1937, to March 26, 1938, March 27, 1938, to March 26, 1939, and March 27, 1939, to March 26, 1940.

Appendix 5. Total accident statistics for non-air-carrier operations from January 1, 1927, through April 15, 1940.

The safety record of domestic scheduled air-carrier operation is depicted in Appendix 1 attached, in which it is to be noted that during the 11 years of regulation by the Department of Commerce that 116 accidents were experienced, resulting in the death of 148 crew members and 242 passengers—or an average of almost 11 accidents per year involving the death of 35 persons. Comparable statistics included in this appendix on the record of domestic air carriers since August 22, 1938, reveal that 3 fatal accidents have occurred during the 20-month existence of the Air Safety Board with a total of 4 crew and 12 passenger fatalities—or an average of 1.8 accidents per year with an average annual death of 9.6 persons. Such figures, though revealing in themselves a greatly improved safety trend under the Civil Aeronautics Act as compared with Department of Commerce regulation under the Air Commerce Act of 1926, as amended, reflect only the safety records in terms of years, and due to the steady increase in the number of miles flown by air carriers from 1927 through April 15, 1940, do not depict the full import of the increase in the safety of domestic air transportation during the periods involved. The true increase in safety can only be appreciated when consideration is given to the fact that the average of 11 accidents per year under the Department of Commerce occurred during an average annual yearly operation by the domestic air carriers of 45,787,138 revenue miles, while the average of 1.8 accidents per year since the creation of the Air Safety Board occurred during an annual yearly operation of approximately 84,000,000 miles, an average under the Air Safety Board of one-sixth as many accidents during nearly twice as many miles of flying.

Of further interest in this connection is the fact that the average death rate of 35 persons per year under the Department of Commerce occurred while the domestic air carriers were transporting an average of 592,525 revenue passengers per year, while the average death of 9.6 persons per year since the creation of the Air Safety Board was experienced while domestic air carriers were transporting an average of approximately 1,600,000 revenue passengers per year, an average under the Air Safety Board of about one-fourth as many persons killed while approximately 3 times as many persons were being transported.

As is further shown in the attached statistical data, an average of 1,191,812 miles were flown per fatality while the domestic air carriers were under the regulatory jurisdiction of the Department of Commerce, while an over-all average of 7,914,913 miles per fatality have been flown since the creation of the Air Safety Board—and, as shown in appendices 1 and 4, a total of approximately 90,000,000 miles have been flown since March 26, 1939, without serious injury or death to a passenger or crew member.

The safety record of domestic air carriers during the 20 months' existence of the Air Safety Board as compared with the safety record of these carriers during the preceding 20 months under the Department of Commerce is depicted in appendix 3. It is particularly to be noted in this connection that the air carriers were operating substantially the same number of route miles during both periods, and, with but very few exceptions, were operating the same type of flying equipment and utilizing the same navigational aids and facilities. As therein indicated, the safety averages during these two comparable periods improved from 9 accidents under the Department of Commerce involving 83 deaths in 109,793,440 miles of flying while carrying 1,852,902 passengers, to a total of 3 accidents since the passage of the Civil Aeronautics Act, involving 16 deaths in 134,775,977 miles of flying while carrying 2,472,979 passengers—or an improvement in safety from an average in domestic air-carrier operation of a death every 7.2 days to a death every 37 days.

The crowning achievement in air transportation has, of course, been attained by domestic air carriers during the last 13 months, when scheduled aircraft operated by these carriers flew a total of approximately 90,000,000 miles carrying approximately 2,000,000 passengers without the injury or death of a single passenger—an all-time record of safety in any field of transportation.

III. NON-AIR-CARRIER FLYING

The impossibility of obtaining accurate statistics on number of miles flown by private or nonscheduled aircraft prevents the making of specific comparisons between the safety records of this type operation under the jurisdiction of the Department of Commerce

and under the Civil Aeronautics Authority and Air Safety Board. It is to be noted, however, as detailed in appendix 5, that 309 accidents, involving 477 fatalities, occurred during the last 20 months under the Department of Commerce, while only 273 accidents, involving 421 fatalities occurred during the 20 months' existence of the Civil Aeronautics Authority and Air Safety Board. The full import of this increase in the safety of non-air-carrier flying is not revealed, however, until consideration is given to the fact that the 309 accidents under the Department of Commerce occurred while an approximate average of 20,000 pilots were flying an approximate average of 9,000 aircraft, and the 273 accidents under the Civil Aeronautics Authority and Air Safety Board occurred while an approximate average of 32,000 pilots were flying an approximate average of 12,000 aircraft.

IV. FUNCTIONS AND ORGANIZATIONS OF THE AIR SAFETY BOARD

The Air Safety Board, as has been previously stated, was created under title VII of the Civil Aeronautics Act of 1938 (52 Stat. 973), which became effective on the 22d day of August 1938. Enumerated in such act were the following principal duties of the Air Safety Board:

(1) Make rules and regulations, subject to the approval of the Authority, governing notification and report of accidents involving aircraft;

(2) Investigate such accidents and report to the Authority the facts, conditions, and circumstances relating to each accident and the probable cause thereof;

(3) Make such recommendations to the Authority as, in its opinion, will tend to prevent similar accidents in the future;

(4) Make such reports and recommendations public in such form and manner as may be deemed by it to be in the public interest; and

(5) Assist the Authority in ascertaining what will best tend to reduce or eliminate the possibility of, or recurrence of, accidents by investigating such complaints filed with the Authority or the Board, and by conducting such special studies and investigations on matters pertaining to safety in air navigation and the prevention of accidents as may be requested or approved by the Authority.

With the exception of four clerical employees, previously employed by the Department of Commerce in the performance of accident analyses and statistical work, the Air Safety Board had no staff of any kind to assist in the performance of its mandated functions and the organization of the Air Safety Board for the purpose of carrying out its independent investigatory functions had to be created in its entirety. Faced with the duty of performing efficiently duties of an emergency nature in all parts of the United States on a moment's notice, the Air Safety Board created a compact Washington organization consisting of but one division (including Investigation, Legal, Technical, and Analysis Sections) under an executive officer and a field organization of seven regional offices in New York, Atlanta, Chicago, Fort Worth, Kansas City, Los Angeles, and Seattle. Personnel in the regional offices varies from one to three investigators and enables the Board to reach the scene of any private or air-carrier accident in a comparatively brief period of time and at a minimum of expense. Aircraft are stationed in Washington and in each field office to facilitate the work of the investigators. The Washington and field personnel of the Board totals 78, including clerical and secretarial employees, which figure includes 56 employees in the Washington office and 22 employees in the field offices. The Board's entire staff was selected on the basis of the technical and professional qualifications of the personnel concerned, practically all of whom have civil-service status. The 1939 fiscal year appropriation of the Air Safety Board was \$380,000, and the Independent Office Appropriation Act passed by Congress for the 1940-41 fiscal year provides an equal appropriation for this period. The Board, during its 20 months' existence, has reported to the Civil Aeronautics Authority, pursuant to section 702 (a) (2) of the Civil Aeronautics Act of 1938, the facts, conditions, circumstances, and probable cause of approximately 2,000 accidents involving aircraft.

Predicated both on the investigations of individual accidents and the collective experience gained in a number of investigations, the Board, pursuant to section 702 (a) (3) of the act, has made a total of 115 recommendations to the Authority which, in the opinion of the Board, would prevent the recurrence of similar accidents to those on which such recommendations were based. These recommendations cover a wide scope. Some relate to regulatory procedure or practices of general application, and some to particular characteristics of particular aircraft or the status of particular personnel. They include recommendations as to the modification of the fuel system of an air-carrier aircraft, redesign of portions of the structure of a new type aircraft intended for air-carrier use; revocation of certificates of competency of personnel involved in an air-carrier accident; dispatching and operating procedures of domestic air carriers; the requirements for certification of pilots; the requirements for issuance of an instructor rating to pilots, and reexamination of the approved power ratings of certain engines used in air-carrier aircraft together with the present procedure employed in determining such ratings.

V. REORGANIZATION PLAN IV

In order to fully appreciate the significance and effect of the proposed abolition of the offices of the members of the Air Safety Board and the transfer of the functions of the Board to the Civil Aeronautics Board, under the Secretary of Commerce, it is necessary to consider briefly the background and history of the independence of the Air Safety Board and the status of the proposed

organization set-up in the light of such background, as well as more recent history.

Prior to the passage of the Civil Aeronautics Act of 1938 the Secretary of Commerce had complete control of American aviation in all its varied phases. He approved the specifications and granted the type certificate for the manufacture of aircraft, aircraft engines, propellers, and component parts; he set the standards for aircraft airworthiness; he prescribed standards for issuance of certificates of competency for airmen; he established air-navigation facilities; he inspected and approved aircraft as to airworthiness; he granted certificates of competency to pilots and he promulgated air-traffic rules. And then, when something went wrong with the aircraft, engine, air-navigation facility, or airman he had approved and an accident occurred, frequently involving the destruction of aircraft and the death of pilot and passengers, it was he who investigated the accident and ascertained where the responsibility lay for the cause of the accident. In short, he was the prosecutor, judge, and jury of aviation, and was in a position of setting the standards and then passing on whether or not his own actions had any part in the cause of accidents or in any way were to blame for their tragic result.

That this mode of accident investigation was functioning in an unsatisfactory manner was common knowledge over a period of years, and in 1936 Congress saw fit to itself investigate the activities of the Department of Commerce in connection with the investigation and circumstances surrounding the air-carrier accident in Missouri on May 6, 1935, which resulted in the death of Senator Cutting of Arizona. (The Senate resolution in this regard is attached hereto as appendix 6.) The demand of the public and the demand of Congress for an independent and impartial investigation of accidents; the ascertainment of the true cause of the accident; the placing of the blame where the blame actually lay; and the making of recommendations which would prevent the recurrence of such accidents became so strong that in the enactment of the Civil Aeronautics Act of 1938, the Air Safety Board—a three-man agency, a part of the Civil Aeronautics Authority, but entirely independent of the authority insofar as its investigatory functions were concerned, was created.

Subsequent to the establishment of the Air Safety Board, on August 22, 1938, the investigation of accidents and other related safety activity have continued as a function independent of the Federal regulation of civil aviation. Accidents have been investigated and the facts, conditions, circumstances, and probable cause thereof reported to the Civil Aeronautics Authority pursuant to law; and 115 recommendations have been made by the Air Safety Board to the Civil Aeronautics Authority predicated on such accident investigations which, in the opinion of the Air Safety Board, would increase the safety of air transportation. The marked increase in the safety of private flying since the creation of the Air Safety Board, and the operation by domestic air carriers of some 90,000,000 miles of scheduled flying during the last 13 months without so much as injuring a passenger, reflect conclusively the effectiveness of the work of the Air Safety Board.

In Reorganization Plan III, submitted by the President to the Congress on April 2, 1940, transfer of functions from the Civil Aeronautics Authority to the Administrator of Civil Aeronautics was incorporated, which placed the entire inspection staff of the Civil Aeronautics Authority under the jurisdiction and control of the Administrator, who, under section 7 (c) of Reorganization Plan IV is to administer his functions "under the direction and supervision of the Secretary of Commerce."

Turning now to the proposals as contained in Reorganization Plan No. IV submitted to the Congress by the President of the United States it is to be noted that section 7 (a) of this plan transfers the Civil Aeronautics Authority and its functions, the office of the Administrator of Civil Aeronautics and its functions, and the functions of the Air Safety Board to the Department of Commerce. In section 7 (b) the functions of the Air Safety Board are consolidated with the functions of the Civil Aeronautics Authority, hereafter to be known as the Civil Aeronautics Board, and which, in addition to its other functions, will "discharge the duties heretofore vested in the Air Safety Board so as to provide for the independent investigation of aircraft accidents." A further proviso of the plan is that "the offices of the members of the Air Safety Board are abolished." Section 7 (c), among other things, provides that the functions of the Administrator of Civil Aeronautics shall be administered "under the direction and supervision of the Secretary of Commerce" and that the Civil Aeronautics Board shall report to Congress and the President, through the Secretary of Commerce, and "shall exercise its functions of rule making (including the prescribing of rules, regulations, and standards), adjudication, and investigation independently of the Secretary of Commerce. Budgeting, accounting, personnel, procurements, and related routine management functions of the Civil Aeronautics Board are to be performed under the direction and supervision of the Secretary of Commerce through such facilities as he shall designate or establish."

With relation to investigation of accidents and related safety activities of the Air Safety Board, described by the President in the transmittal of Reorganization Plan No. IV as "the important work of accident investigation heretofore performed by the Air Safety Board," it is to be noted that several very definite results will be obtained in the event the proposed Reorganization Plan No. IV becomes effective. First, the functions of the prosecutor, judge, and jury, i. e., rule making, adjudication, and investigation will once more be embodied in one regulatory agency, an admin-

istrative organization set-up identical with that which existed under the Bureau of Air Commerce of the Department of Commerce and which Congress saw fit to first investigate and then change only 2 years ago. Secondly, the Reorganization Plan by its own terms places mandatory functions on the Civil Aeronautics Board which are inconsistent in their nature, i. e., the "independent" and impartial investigation of aircraft accidents in addition to exercising the rule-making and adjudication functions incident to the Federal regulation of the safety and economic aspects of aviation. Third, the degree of control to be exercised by the Secretary of Commerce over the investigatory, rule making, and other functions of the Civil Aeronautics Board by virtue of the "direction and supervision" of the "budgeting, accounting, personnel, procurement, and related routine management functions of the Civil Aeronautics Board" granted to the Secretary of Commerce by Reorganization Plan IV is—to say the least—left in a state of confusion. Fourth, the Civil Aeronautics Board and the Administrator of Civil Aeronautics will both be placed in the position of having to pass judgment on their own responsibilities. It is to be particularly noted in this connection that in no other field of transportation does the Federal Government have so active a part in the actual physical operation of the carriers as is true in the field of air transportation. The establishment of standards, certification of airmen and aircraft, establishment of air traffic rules, operation of air traffic control, construction, maintenance, and operation of air navigation facilities are included in the functions of the Civil Aeronautics Authority and the Administrator, and, though somewhat shifted, would remain as functions of the Civil Aeronautics Board and the Administrator of Civil Aeronautics under the reorganization plans now before the Congress.

The necessity, therefore, of the technical and field staff of the Administrator having to investigate and report on accidents and safety matters, which of necessity involve and therefore reflect on the caliber of their own activity or on the functioning of the navigation facilities which they establish, maintain, and operate, and of the Authority, in the exercise of its "independent investigation functions" mandated by Reorganization Plan IV, having to pass on the sufficiency or correctness of standards set or actions previously taken in the exercise of its "rule-making and adjudication functions," can be readily seen. It is obvious that such assignment of responsibility and division of functions therein outlined is predicated on the assumption that personnel of the Administrator and Civil Aeronautics Board in the exercise of "independent investigation functions" can divorce themselves from other responsibilities, and objectively pass judgment on such other activity and its relationship to a particular matter under consideration. That such a predicate, regardless of the effort expended, or mental honesty of individuals concerned, is contrary to human nature, and would place personnel of the Administrator and Civil Aeronautics Board in a very unfair position, goes without saying, and the hesitancy on the part of the public to accept the findings of a Federal regulatory agency for aviation as to its own functions or responsibilities for an aircraft accident, regardless of the facts of the case, when question exists as to such responsibility in connection with the accident, has been demonstrated on numerous occasions between 1927 and the present. Absolute independence of entity and action has been shown by both history and experience to be the most expeditious and efficient—if not the only—way in which aircraft accidents can be investigated, and causes ascertained and eliminated as future hazards to aviation, and, at the same time, the confidence and morale of the regulatory agency, the industry, and public maintained and protected.

Reorganization Plan IV, insofar as air transportation safety is concerned, means, in short, that with but a very questionable saving of expense to the Government, a Federal regulatory and investigatory system which has effected such marked increases in air safety in the 20 months of its existence and established a safety record never before equalled by any mode of transportation, will be junked, and the system which Congress only 20 months ago found to be so unsatisfactory as to demand its abolition, and the enactment of the Civil Aeronautics Act of 1938, will be again brought to life.

APPENDIX 1

Fatal accidents in domestic scheduled air-carrier operation, Jan. 1, 1927, through Apr. 15, 1940

Year	Fatal accidents	Fatalities	Revenue-miles flown	Revenue-passengers carried	Miles per fatality
1927	4	5	5,779,863	8,661	115,597
1928	11	23	10,400,239	47,840	452,184
1929	21	36	22,380,020	159,751	621,667
1930	9	33	31,992,634	374,933	969,473
1931	13	38	42,755,417	469,981	1,125,142
1932	16	36	45,606,354	474,279	1,266,843
1933	9	28	48,771,553	493,141	1,741,841
1934	8	29	40,955,396	461,743	1,412,255
1935	8	29	55,380,353	746,946	1,909,667
1936	8	61	63,777,226	1,020,931	1,045,528
1937	5	52	66,190,639	1,102,707	1,272,891
1938 (to Aug. 22)	4	31	43,927,107	684,091	1,417,003
Total	116	401			

Fatal accidents in domestic scheduled air-carrier operation, Jan. 1, 1927, through Apr. 15, 1940—Continued

Year	Fatal accidents	Fatalities	Revenue-miles flown	Revenue-passengers carried	Miles per fatality
1938 (from Aug. 22) ¹	1	5	25,741,720	492,767	5,148,344
1939	2	12	82,554,239	1,717,090	6,879,520
1939 (Mar. 27, to Dec. 31)	0	0	91,293,718	1,720,318	(²)
1940 (Jan. 1 to Apr. 15)	0	0			
Total	3	17			

¹ Air Safety Board took office Aug. 22, 1938.

² These figures cover the period Mar. 27, 1939, to Apr. 15, 1940. March and April (1940) figures included herein are estimated.

³ No fatalities.

APPENDIX 2

Fatal accident statistics, foreign scheduled air-carrier operation, Jan. 1, 1927, through Apr. 15, 1940

Year	Fatal accidents	Fatalities	Revenue-miles flown	Revenue-passengers carried	Miles per fatality
1927	0	0	90,627	18	90,627
1928	1	1	273,211	1,873	273,211
1929	3	7	2,761,479	13,654	394,497
1930	0	0	4,952,569	42,570	4,952,569
1931	1	1	4,630,570	52,364	4,630,570
1932	1	9	5,326,613	66,402	591,845
1933	0	0	5,870,992	75,799	5,870,992
1934	2	9	7,831,155	99,627	870,128
1935	0	0	8,159,880	113,815	8,159,880
1936	2	6	9,526,610	127,038	1,587,768
1937	1	14	10,942,656	164,873	781,618
1938 (to Aug. 22)	3	24	7,592,866	128,456	106,941
Total	14	71			
1938 (Aug. 22 to Dec. 31)	0	0	3,796,434	64,228	(³)
1939 (Jan. 1 to Aug. 14)	1	14	7,428,670	129,950	539,619
1939 (Aug. 15 to Dec. 31)	0	0	4,571,330	80,050	(³)
1940 (Jan. 1 to Apr. 15)	0	0	3,500,000	56,199	(³)
Total	1	14			

¹ Air Safety Board took office Aug. 22, 1938.

² Prorated.

³ No fatalities.

⁴ Estimated for March and April.

APPENDIX 3

Fatal accident statistics, scheduled domestic air-carrier operation

	Last 20 months under Department of Commerce, Jan. 22, 1937, to Aug. 21, 1938	First 20 months under Air Safety Board, Aug. 22, 1938, to Apr. 15, 1940
Miles flown	109,793,440	134,553,519
Passengers carried	1,852,902	2,472,979
Passenger-miles	816,810,297	1,213,290,969
Number of fatalities:		
Passengers	62	12
Crew	21	5
Total	83	17
Death rate:		
Days per fatality	7.2	35
Miles flown per fatality	1,322,812	7,914,813

NOTE.—After the Air Safety Board took office on Aug. 22, 1938, the average death rate during its first 20 months of activity was lowered to 1 every 35 days as compared with 1 every 7.2 days under the Department of Commerce during the immediate preceding 20-month period, an increase in the safety factor of over 400 percent.

APPENDIX 4

Domestic air-carrier operations and accident statistics for the yearly periods Mar. 27, 1937–Mar. 26, 1938; Mar. 27, 1938–Mar. 26, 1939, and Mar. 27, 1939–Mar. 26, 1940

	For 12 months ending Mar. 26—		
	1938	1939	1940
Miles flown	67,002,154	71,080,308	87,325,145
Total passengers carried	1,157,738	1,389,818	2,028,817
Total passenger-miles	503,484,761	565,220,938	814,906,250
Fatal accidents	4	5	0
Fatal passenger accidents	4	5	0

Domestic air-carrier operations and accident statistics for the yearly periods Mar. 27, 1937–Mar. 26, 1938; Mar. 27, 1938–Mar. 26, 1939, and Mar. 27, 1939–Mar. 26, 1940—Continued

	For 12 months ending Mar. 26—		
	1938	1939	1940
Passenger fatalities	32	20	0
Crew fatalities	10	8	0
Miles flown per fatal accident	16,750,539	14,216,062	(¹)
Miles flown per fatal passenger accident	16,750,539	14,216,062	(¹)
Passenger-miles flown per passenger fatality	15,733,899	28,261,047	(¹)
Miles flown per crew fatality	6,700,215	8,885,039	(¹)

¹ No fatalities.

APPENDIX 5

Fatal accident statistics, non-air-carrier flying, Jan. 1, 1927, through Apr. 15, 1940

	Number of fatal accidents	Total fatalities	Number of certificated pilots at close of each year	Number of certificated aircraft at close of each year
1927	95	146	1,572	1,780
1928	215	362	4,887	2,840
1929	287	457	10,280	6,278
1930	301	507	15,280	6,754
1931	253	400	17,739	6,960
1932	208	321	18,594	6,766
1933	182	313	13,960	6,392
1934	186	325	13,949	5,821
1935	164	262	14,805	6,912
1936	159	272	15,952	7,044
1937	185	283	17,681	8,766
1938 (to Aug. 22)	124	194	22,983	9,655
Total	2,359	3,842	13,974	6,330
1938 (from Aug. 22) ¹	59	84	22,983	9,655
1939	194	305	31,264	12,466
1940 (to Apr. 15)	20	32	33,188	12,505
Total	273	421	26,478	11,542

¹ Air Safety Board took office Aug. 22, 1938.

² Total for entire year 1938.

³ Average.

APPENDIX 6

UNITED STATES SENATE RESOLUTION

Whereas an airplane owned by Transcontinental Western Air, Inc., while engaged in interstate air commerce was wrecked near Macon, in the State of Missouri, on the 6th day of May 1935, resulting in the death of five persons, among whom was an honored Member of this body, Hon. Bronson M. Cutting; and

Whereas it is imperative that life and property transported through interstate air commerce should be accorded the greatest degree of safety obtainable through the use of every reasonable safeguard; and

Whereas it is essential, in order to protect life and property in transportation through the air, that a thorough and searching inquiry should be made into the causes of the wreck referred to and into the efforts, if any, for the prevention of accidents of like character, and the safeguards, if any, provided both by the companies engaged in interstate air commerce and the precautions and safeguards, if any, required by governmental agencies; and

Whereas such investigation and the knowledge to be derived therefrom are necessary to enable the Congress to adopt legislation for the protection of life and property by air transportation: Therefore be it

Resolved, That the Committee on Commerce, or a subcommittee thereof, be, and it is hereby, authorized and directed to investigate fully and thoroughly the said wreck of the airplane owned by Transcontinental Western Air, Inc., which occurred on the 6th day of May 1935 near Macon, in the State of Missouri, and any other accidents or wrecks of airplanes engaged in interstate air commerce in which lives have been lost; and to investigate fully and thoroughly interstate air commerce, the precautions and safeguards provided therein, both by those engaged in such interstate air transportation and by officials or departments of the United States Government; and to investigate fully and thoroughly the activities of those entrusted by the Government with the protection of property and life by air transportation, and the degree, adequacy, and efficiency of supervision by any agency of Government, including inspection and frequency thereof, and to take testimony in all aspects in relation to any of the matters herein indicated and in relation to any subject related thereto; be it further

Resolved, That the said Committee on Commerce, or the subcommittee thereof appointed for the purpose, shall determine what legislation, if any, shall be adopted in the interest of safety of life

and property transported in interstate air commerce, and what legislation, if any, shall be adopted to prevent accidents in the air and to provide appropriate safeguards for their prevention; and be it further

Resolved, That for the purposes of this resolution such committee, or any duly authorized subcommittee thereof, is authorized to hold hearings, sit, and act at such times and places during the sessions or recesses of the Senate during the Seventy-fourth and succeeding Congresses, until a final report is submitted; to employ such counsel, experts, clerical, stenographic, and other assistance, and to require, by subpoena or otherwise, the attendance of witnesses, the production of books, papers, and documents, to administer oaths, take testimony, and make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of such committee, not to exceed the sum of \$10,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

Mr. DIRKSEN. Mr. Chairman, I yield to the gentleman from New Jersey [Mr. VREELAND] such time as he may desire.

Mr. VREELAND. Mr. Chairman, I am in favor of this resolution.

On the night of May 3 the gentleman from Missouri [Mr. COCHRAN] made a speech over the radio in support of the proposed reorganization of the Civil Aeronautics Authority.

He said that there are selfish interests opposing the reorganization. But those who oppose are the pilots, the mechanics, the radio operators, the dispatchers, the American Federation of Labor. Their selfish interest is to preserve their lives and the lives of their passengers. The industry unanimously opposes it, including not only the air lines but also the insurance underwriters and the air express company and the manufacturers. Their selfish interest is the protection of the lives of their employees and their passengers and the investment which has been attracted into this industry since the C. A. A. was set up. The private flyers oppose it. Their selfish interest is the protection of their own lives and the lives of the students they are teaching to fly. All these interests may be selfish. But it is a selfishness which is seeking greater security, greater safety, greater efficiency, in a civil-aviation industry that must be as safe as human hand and mind can make if it is to be the strong, sure backlog for our national defense which we so desperately need.

Then the gentleman from Missouri [Mr. COCHRAN] said that the President is interested in aviation and so would not do anything to make it unsafe or harm it. But the fact of the matter seems to be that the President, a busy man, was given a plan, worked out after superficial study by some bureaucrats in a division of the Bureau of the Budget who knew nothing about aviation, without consultation with the Authority. And then the plan was so badly worded that recently the Budget has been compelled to go to the Attorney General and get his approval to a long, involved, complicated letter to the Authority trying to explain all the ambiguous phrases in the plans themselves. The Budget Bureau has had to take two or three bites at this thing, and still does not have it clearly explained. The fact of the matter is that the President was badly advised by people who are not experts in the field of aviation and who have given the matter no such careful and thorough study as did the gentleman from California, Representative LEA, and the other members of the Committee on Interstate and Foreign Commerce when the Civil Aeronautics Authority was created.

Then the gentleman from Missouri [Mr. COCHRAN] said that the President was within his rights in proposing this reorganization because Congress defeated an amendment to the Reorganization Act which would have exempted the C. A. A. But note what was said on the floor of the House when that amendment was being debated. On March 8, 1939, at page 3513 of the RECORD, the gentleman from Missouri [Mr. COCHRAN] himself said that those concerned about the continuance of the Authority need have no fear because—

Can anyone imagine that the President is going to abolish or cripple an agency of this character in which he himself is so greatly interested? * * * We all know the value that is going to come as a result of the Safety Board and the leadership of the Authority. * * * [The President] can add to the duties of the Authority, and I predict he will do it rather than in any way impede the progress that is being made.

That is what the gentleman from Missouri [Mr. COCHRAN] said just before the amendment to exempt the Authority was

rejected. But what has the President done? He has not done what the gentleman from Missouri [Mr. COCHRAN] said. Instead of adding to the powers of the Authority he has abolished the present Authority and made it into a new subordinate board in the Department of Commerce. He has stripped it of vital powers of safety regulation. He has completely abolished the Air Safety Board. He has made the Authority into a dependent appendage of the Department of Commerce. Maybe the President is within his rights. But he did not do what the gentleman from Missouri [Mr. COCHRAN] said he was going to do.

Next the gentleman from Missouri [Mr. COCHRAN] says that the abolition of the Air Safety Board does not mean that independent accident investigation will not be continued. The gentleman from Missouri [Mr. COCHRAN] says that the present Air Safety Board cannot translate its findings into action by making rules and regulations. That is true. That is why the Air Safety Board was set up. It was set up to do nothing but investigate accidents so that it would have no interest in the investigation except to get at the facts, and find out what is wrong, without fear or favor. That is what the Director of the old Bureau of Air Commerce admitted before the Senate Committee on Commerce was needed so badly. That is what we need if we are to have real investigations instead of whitewashings. Someone must investigate who will not want to blame the dead pilot and obscure the facts in order to hide his own bungling. But the reorganization abolishes the Safety Board, and gives to the rule-making Board the duty of investigating itself.

The gentleman from Missouri [Mr. COCHRAN] also said that there is \$108,000,000 spent on civil aviation every year and that the President ought to know from a Cabinet officer regularly what is being done with this money. Therefore the Authority ought to be put into the Department of Commerce. But the expenditure of all but about \$30,000,000 of that sum is already under Cabinet officers of the Work Projects Administration, which is the same as being under a Cabinet officer, because that sum, as shown by the Budget Bureau's report printed in the New York Times on the morning of May 4, is made up of the money spent on W. P. A. airport projects, the Weather Bureau under the Department of Agriculture, and the expenditures of the Post Office Department, over and above the money spent by the C. A. A. As to the money spent by the C. A. A., why should it be put into a department? There was Cabinet representation for civil aviation before 1938. What good did it do? It left a trail of wrecked airplanes, dead passengers, and bankrupt companies.

Finally the gentleman from Missouri [Mr. COCHRAN] said that Mr. J. Monroe Johnson, the present Assistant Secretary of Commerce, is being moved out and a new one can be appointed who will know all about civil aviation. And Saturday we read the President's announcement that he would "probably" appoint the present Chairman of the Authority to that post. This is a bare-faced admission that it is not intended to permit the Authority to continue as an independent agency. This is a bare-faced admission that the regulation and development of civil aviation will henceforward depend upon the changing personalities holding the office of Secretary and Assistant Secretary. The gentleman from Missouri [Mr. COCHRAN] himself said in his speech that the Assistant Secretary "would probably be directly in contact with civil aeronautics." Indeed, he would. And who will be the Assistant Secretary next year or the year after? Instead of having an independent Authority, with fixed terms of office, removable only for cause, we will once again be returned to a system where political appointees of varying character and competence will be the men in ultimate control. That was the system that nearly wrecked civil aviation under the Department of Commerce before 1938. That was the system we put an end to when we adopted the Civil Aeronautics Act and created the C. A. A. There should be no return to that system.

The gentleman from Missouri [Mr. COCHRAN] closed his speech with another reference to the "selfish interest" opposing reorganization. Earlier he referred to the small group of air-line pilots who have come to Washington to protest the

reorganization. That small group represents every air-line pilot in the country. They may be selfish. Who would not want to save his own life? If that is selfish, it is the strongest possible appeal to the Congress of this Nation to respond with an overwhelming vote of confidence in the Civil Aeronautics Authority as it exists today, free and independent. [Applause.]

Mr. DIRKSEN. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. VAN ZANDT].

Mr. VAN ZANDT. Mr. Chairman, for a few moments I would like to have the attention of the Committee to discuss that part of the President's fourth Government reorganization plan concerning the transfer of the State nautical schools from the Navy Department to the Maritime Commission.

At the present time there are four State nautical schools located in Massachusetts, New York, Pennsylvania, and California. Each of these schools trains young men for the United States Naval Reserve and for the American merchant marine. These schools are part of the State educational systems but are subsidized by the Federal Government. Twenty percent of the cost of maintenance is assumed by the cadet and paid in the form of tuition; 40 percent paid by the Navy; and the remaining 40 percent by the respective State.

In addition to the expense of maintenance, the Navy Department assumes the cost of an annual overhaul of the ships in a navy yard. Each of the ships now being used is the property of the United States Navy, being loaned to the State nautical schools. These ships are based at navy yards throughout the year, and since they are Navy ships in reserve, the moment war is declared the State commission pennant is hauled down and replaced by a naval commission pennant, thus placing the vessel in active service of the United States Navy. These ships in time of war, as part of the United States Navy, are potential flagships for the offshore patrol and may be found guarding harbor nets, mine areas, and so forth.

In other words, at this very moment these vessels have an assignment with the United States Navy in time of war. The sole reason for the existence of these State nautical schools and the ships they use is for national-defense purposes. As already explained, the ships have a definite assignment in time of war. The captain and his crew are all Naval Reservists, while every cadet is a member of the Naval Reserve. The entire crew, including cadets, are trained for war duties through a systematic and detailed course of instruction similar to that in effect at the United States Naval Academy at Annapolis.

The Maritime Commission, I am told, knew nothing about this proposed transfer of the State nautical schools. As a matter of fact, let me read you a portion of the Commission's letter dated July 29, 1939, to Chairman BLAND, of the House Committee on Merchant Marine and Fisheries, in which they said:

The Maritime Commission believes that the State nautical schools should be brought under the supervision, at least to a limited degree, of the Commission so as to integrate them with its training program.

The Navy Department apparently knows nothing about the proposed transfer, since they state in a letter to Chairman BLAND dated October 24, 1939:

The Navy Department considers that the interests of national defense, with particular regard to the training of prospective merchant-marine officers and their enrollment in and qualification for the Naval Reserve, are best served by the retention of Navy Department control over the State nautical schools.

The opinion of the heads of the several State nautical schools supports the position of the Navy. For instance, I quote Mr. G. Coe Farrier, chairman of the Pennsylvania State Nautical Schoolship Committee, who, under date of April 19, 1940, stated:

Such transfer would operate to bring about the discontinuance of State maintenance of such schools, and that lacking the initiative given to such activities by local interests, the standards of merchant marine officers would be lowered and their value to shipowners and operators decreased. Speaking for myself, I believe that any such

transfer would destroy the esprit de corps of the entire training service and could only result in a deterioration of the quality of the future crop of junior merchant marine officers.

Mr. Clarence E. Perkins, chairman of the Massachusetts State Nautical School, takes a strong position against the transfer of these ships to the Maritime Commission in a letter dated May 6, 1940, when he said in part:

We believe that the interests of national defense, with particular regard to the training of prospective merchant marine officers and their enrollment in and qualification for the Naval Reserve, will best be served by the retention of Navy Department control over the State nautical schools. We do not believe this control should be abandoned in favor of some untried program.

Speaking for the California Maritime Academy, Robert H. Fouke, chairman of the board, in a wire dated May 6, 1940, states:

All State nautical schools, including ours, oppose transfer ships, funds, supervision, Navy training from Navy Department to Maritime Commission.

When it is all said and done, everyone connected with the State nautical schools, speaking from years of experience, vigorously oppose any such transfer of these schools from the Navy to the Maritime Commission.

In a few words, I am asking support of the Lea resolution which will nullify the President's fourth Government reorganization plan, thus permitting the State nautical schools, which are a part of our national defense and manned by Naval Reservists, to remain under the supervision and control of the Navy Department. [Applause.]

Mr. DIRKSEN. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. KLEBERG].

Mr. KLEBERG. Mr. Chairman, I approach this discussion in a thoroughly dispassionate manner. When the Civil Aeronautics Authority was created it came from a first-class committee of this body and was created by this Congress after full and complete discussion at both ends of this Capitol. The consideration given this measure by the Interstate and Foreign Commerce Committee of this House was full and complete. The record of efficiency already set up and established is evidence enough that the representative branch of this Government accepting a recommendation from the Chief Executive had worked well when it created the C. A. A.

The past history of aviation and its struggles in this country cannot be encompassed in the 2 minutes of time at my disposal. For my part, Mr. Chairman, having ridden many miles in airplanes since 1916 across this country in almost every direction, and knowing something about both the formation of commercial air lines and the development of the military and naval air service I feel it a part of my duty to rise in opposition to the proposed reorganization plan now before this body. I do this because I am sure that at a later date if the operation of the Civil Aeronautics Authority can be improved upon at least the Chief Executive should be given more time to consider his recommendations before sending them up to the Congress. I feel that we have worked well and I am willing to stand by our own creation, which has served us well. I hope the Congress will do likewise. [Applause.]

[Here the gavel fell.]

Mr. DIRKSEN. Mr. Chairman, I yield 11 minutes to the gentleman from North Carolina [Mr. BULWINKLE].

Mr. BULWINKLE. Mr. Chairman, as one of the members of the Committee on Interstate and Foreign Commerce which drafted the aviation bill, and as one of the conferees on the same bill, I am opposing Reorganization Plan No. IV. Let us here analyze why these gentlemen who have spoken in favor of this plan say it should be adopted. The Authority itself. No cause for complaint against it. No cause for complaint against the Administrator. They all come back to the Safety Board. Here is the only opposition.

From one of the Members we hear the Safety Board has been a terrible thing, that it has been filthy and foul. By another one we are told that they have not done anything at all. Now let us see about that just a minute.

The President of the United States, and I take his word for it, in a letter to the Chairman of the Civil Aeronautics Authority dated March 21, 1940, has the following to say:

Certificate of special commendation presented to the Civil Aeronautics Authority—

That includes all branches of it—

United States of America, in recognition of the inspiring leadership, the inflexible determination that safety should come first, the spirit of sincere cooperation that contributed so much to the establishment of an outstanding record in safe transportation.

Then the certificate was presented. That was on March 21. It is strange, is it not, that the President of the United States never sent a message to the Congress to ask that the law be amended in any respect whatever if he had known of these things, that the gentleman from North Carolina and the gentleman from Missouri have spoken about. Nor has the President sent any message to Congress concerning the Civil Aeronautics Authority.

Mr. Chairman, who comprises the Authority? Robert H. Hinckley, Harlee Branch, Oswald Ryan, G. Grant Mason, Jr., and Edward Warner. On the 6th day of January the Authority sent to every Member of the House the first annual report of the Civil Aeronautics Authority, and when they spoke of the Safety Board they spoke very highly of it. It is said by some that it has done nothing. Let us see about that:

From August 22, 1938 (the date upon which the Air Safety Board assumed office), to October 31, 1939, the Board has dealt with a total of 2,668 accidents involving aircraft. It should be pointed out, however, that because of the all-inclusive definition heretofore given to the term "aircraft accident" many of these cases involved nothing more than minor mishaps. Only 8 percent of this seemingly large number of aircraft accidents resulted in fatal injury to persons and only 17 percent in the complete destruction of the aircraft involved. The investigation of 1,935 of these accidents has been completed by the Board, the remainder being still under consideration. A final report to the Authority has been made in 1,135 of them.

Sixty-eight of the total number of accidents reported occurred in scheduled air-carrier operation, of which 5 involved fatal injuries to passengers and 7 complete destruction of the aircraft. In addition to this total of 63 accidents, 1,120 mechanical interruptions to air-carrier service were reported to the Board involving failure of an engine or structural part of the aircraft, but not resulting in other damage or injury to persons. In connection with 5 of the air-carrier accidents, the Board ordered and held extensive public hearings.

The remaining 2,600 of the total accidents reported to the Board during this period included those occurring in noncommercial operation and nonscheduled commercial service. Of this number, 209 involved fatal injuries and 181 serious injuries to persons and 448 resulted in complete destruction of the aircraft. In 2 of these cases the Board conducted public hearings in connection with the investigation of the accidents, one involving a multimotored aircraft being operated in nonscheduled commercial service and the other a multimotored aircraft designed for scheduled air-carrier operation, but being flown experimentally at the time of the accident.

Members of the Authority appeared before the Appropriations Committee. Nothing was mentioned of any trouble with or in the Safety Board.

The gentlemen who favor this reorganization plan say that Hinckley, Branch, Ryan, and men of that type would hide this stuff that has been going on and would come before the Congress and say it is all right. Oh, no. You cannot make me believe that at all. The President and others concerned would not attempt to cover all the troubles up. No one can make me believe that they would.

The truth of the matter is I do not know why this is being done. I want to give you, however, a brief history of the C. A. A. Only 2 years ago the bill creating the Civil Aeronautics Authority was passed by the House, and 2 weeks later the report of the conferees came in and was agreed to. But the chairman of the House Committee on Interstate and Foreign Commerce, the gentleman from California, CLARENCE LEA, for nearly a year beforehand had worked with the interdepartmental committee on this subject. The interdepartmental committee, the President, and others were very much interested in this matter. Upon one occasion the President called Senator McCARRAN, author of the bill in the Senate, and the gentleman from California [Mr. LEA], author of the bill in the House, to come to the White House, at which

time he told them he approved Senator McCARRAN's plan of having a separate commission for the Authority. [Applause.] The President not only did that, but I went to the White House twice and I saw him twice. I saw Mr. James Roosevelt once. The President approved of a separate commission, because if he had not he would not have had to sign the bill on final passage. He did approve it.

Why has this been done? Why all this talk about the Safety Board? They wanted some goat to hang something on, so they brought up the Safety Board. I do not know what it has done, but as a Member of Congress, and as a member of the Committee on Interstate and Foreign Commerce, I know that not one single, solitary soul from the administration or otherwise has appeared before the committee asking for an amendment to the act. Like a bolt out of the clear sky, this thing comes up in the form of Reorganization Plan No. IV. Then we are lectured and told that it is a terrible thing for Democrats on this side to oppose the President. Oh, no. Mr. Chairman, after all is said and done there may be defects in the law that we passed. We can amend it. Remember that the Civil Aeronautics Authority is the arm of this Congress to take care of civil aviation in the United States. It is the arm of this Congress which passes upon the rates to be charged, just as the Interstate Commerce Commission is the arm of this Congress. They both report to the Congress and both are required to report to the Congress. As our aviation agency, I appeal to you, let us preserve it as such. Let us not go back to the days before we had the Authority. You know the trouble we had then. There is not a man in this House who served at that time who did not talk with disparagement at the way it was run. It was under three or four separate commissions at that time. So I say to you, when the vote comes tomorrow, let us remember that we created this agency and that we can change it to suit ourselves, but let us keep it. Let us keep it as our agency to report to the Congress and you will find that we have done right. [Applause.]

Mr. DIRKSEN. Mr. Chairman, I yield to the gentlewoman from Massachusetts [Mrs. ROGERS] such time as she may desire.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I believe if this reorganization plan goes through, a tragedy may well take place, just as misinformation given the President caused him to make a terrible mistake in 1934. In 1934, through poor advice and obviously a complete lack of understanding of the situation, he took away the carrying of the air mail from the commercial pilots and turned it over to Army pilots, who did not have the proper equipment for carrying mail, especially during the winter months, through the snow and hail and blizzards. Many of you here today were not in Congress in 1934, but the horror and tragedy caused by those unnecessary deaths were known to you through the press and the radio. A few minutes ago I asked the gentleman from Missouri to yield for a question. I reminded him that in 1934, on March 9, the administration adjourned the House in just 13 minutes rather than permit me to speak to my resolution to stop the carrying of the air mail by the Army pilots. Later the President realized he had been misinformed, and rescinded his order for the carrying of the mail, but only after a score of lives had been lost. Since that time we have come far in the progress of commercial aviation, and the fact that in the last more than 400 days the Civil Aeronautics Authority can report no accident speaks volumes for the efficiency of the work that has been accomplished by them. To be sure, they have worked in cooperation with other people, but why not leave the Civil Aeronautics Authority to function as it is now functioning? Do not take a chance, I beg of you, to return to a system that did not prove so efficient. I believe the President has had misinformation in this case, just as he did in 1934. I am sure he will be grateful to us in saving him from making another error with tragic consequences. Many of us in the House have flown all over the country and been in the air for hours and hours. Many of us have done everything in our power

to make aviation less hazardous. We know what the record has been for the past hundreds of days. Let us not take a chance of undoing the great accomplishment. For every reason we should make flying practical and safe. [Applause.]

Mr. COCHRAN. Mr. Chairman, I yield the remainder of my time to the gentleman from Illinois [Mr. BEAM].

Mr. BEAM. Mr. Chairman, I am sure there is not a Member in this Chamber who questions the sincerity of purpose or the earnest desire of the distinguished gentleman from North Carolina [Mr. BULWINKLE], who just preceded me, to see aviation prosper and advance.

I am certain that his anxiety and eagerness to give this Nation the greatest aviation service in the history of the world can only be equaled by his personal desire to see the Congress of the United States perform its duty in the statesmanlike manner he has just described.

I feel, however, that there is a great deal of confusion and misunderstanding relative to the interpretation of Reorganization Plan No. IV. I have listened attentively to the Members who have preceded me, particularly the gentlemen who are opposed to this plan, and I have not heard a word of criticism against any other of the points involved in this reorganization plan. No gentleman who has disapproved of Reorganization Plan No. IV has commented on the various improvements and changes which are made with regard to the Department of State.

No gentleman who has spoken against this plan has made any references to the advancement made in the Treasury Department by this proposed reorganization. Not a word of criticism was advanced of the changes made in the Department of Justice for the betterment of the American people. Not a word of criticism was raised to the advances made by this reorganization plan in the reorganization of the Post Office Department and, likewise, the Department of the Interior. No word of criticism was spoken about the various changes and modifications suggested in the Department of Labor for the benefit of the citizens of the United States.

Did anyone opposed to this plan stand in the Well of the House and make any constructive criticism with regard to the changes made in the United States Maritime Commission or the Federal Security Agency? No, Mr. Chairman; not one word was uttered in respect to these proposals because they realize these changes are for the advancement and progress of governmental business, and for the best interest of the people of the Nation.

Mr. Chairman, everyone who spoke in opposition to the contemplated changes directed their arguments to section 7—transfer of the Civil Aeronautics Authority.

There is not a person in this Chamber who listened to the speech of the distinguished gentleman from North Carolina [Mr. WARREN], and the uncontradicted facts and circumstances which he presented to the committee, who would not be convinced that because of the interdepartmental discord and dissension, ever present in the Air Safety Board, that it was in the best interests of the progress of aviation that the changes be brought about, as suggested.

Likewise no one could hear the sound and logical reasons advanced by the distinguished chairman of the committee, the gentleman from Missouri [Mr. COCHRAN], without arriving at the same conclusion.

These changes as proposed will result in broader advances in the field of aviation; resulting in greater efficiency and safety for men who fly the airplanes; and added protection for passengers who travel the air lanes of the United States.

Mr. Chairman, \$600,000,000 has been invested in the aviation industry, and before the conclusion of this year there will be invested upward of \$1,000,000,000.

Does anyone believe for a single, solitary minute that this reorganization plan would endanger lives or would imperil the capital invested in this industry? It is a fallacy, it is a mirage, it is a snare and a delusion when they say they want to defeat this proposal merely on a pretense of saving lives. We are all interested in saving lives. The development this industry has made over the years will be augmented and enlarged, because it will be under the supervision of the Depart-

ment of Commerce, and will have a voice in the council chambers of the executive branch of the Nation.

The Civil Aeronautics Board shall exercise its functions of rule making, including the prescription of rules, regulations, and standards, adjudication and investigation, independently of the Secretary of Commerce.

Mr. Chairman, this is simply an attempt to embarrass the President of the United States and the administration in perfecting further developments in an industry which is destined to become one of the greatest in the world, and one which will have at all times the hearty cooperation of the Government of the United States in keeping America foremost in development, safety, and progressive ideals for this great enterprise. [Applause.]

The CHAIRMAN. The time of the gentleman from Illinois has expired; all time has expired.

The Clerk will read.

The Clerk read as follows:

House Concurrent Resolution 60

Resolved by the House of Representatives (the Senate concurring), That the Congress does not favor the Reorganization Plan No. IV transmitted to Congress by the President on April 11, 1940.

Mr. LEA. Mr. Chairman, I move that the Committee do now rise and report the concurrent resolution back to the House, with the recommendation that the concurrent resolution be agreed to.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. ROMJUE, Chairman of the Committee of the Whole House on the state of the Union, reported that the Committee having had under consideration the concurrent resolution (H. Con. Res. 60), had directed him to report the same back to the House with the recommendation that the concurrent resolution do pass.

The SPEAKER. By unanimous consent agreement heretofore entered into, the vote on the concurrent resolution will come the first thing tomorrow, after the reading of the Journal and the disposition of matters on the Speaker's desk.

EXTENSION OF REMARKS

Mr. DIRKSEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include a few excerpts therein.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. LEA. Mr. Speaker, I ask unanimous consent that all Members of the House may have 5 legislative days within which to extend their own remarks on the concurrent resolution.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

ORDER OF BUSINESS

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. RAYBURN. Mr. Speaker, after consulting with the gentleman from California [Mr. HAVENNER] and the gentleman from New York [Mr. BLOOM], it has been decided that the rules with respect to the fairs will not be called up this afternoon.

EXTENSION OF REMARKS

Mr. HINSHAW. Mr. Speaker, I ask unanimous consent to insert certain tables and telegrams as an extension of the remarks I made today in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. CHURCH. Mr. Speaker, I ask unanimous consent to include in my remarks made today a letter written by Mr. Wayne Carpenter to Senator McCARRAN.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. VAN ZANDT. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

[Mr. VAN ZANDT addressed the House. His remarks appear in the Appendix of the RECORD.]

Mr. VAN ZANDT asked and was given permission to extend his remarks in the RECORD and to include therein certain data.

EXTENSION OF REMARKS

Mr. BULWINKLE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein certain excerpts.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. PAGÁN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on Puerto Rico and the sugar legislation pending in Congress.

The SPEAKER. Is there objection to the request of the gentleman from Puerto Rico?

There was no objection.

The SPEAKER. Under the special order of the House heretofore entered, the gentleman from Texas [Mr. SUMNERS] is recognized for 1 hour.

AMENDMENT OF THE HATCH BILL

Mr. SUMNERS of Texas. Mr. Speaker, I am under a very great temptation this afternoon, but I am not going to yield to it. A number of the newspapers have been saying a lot of things about me recently in connection with this Hatch bill. Thus far I have said nothing. They have gone as far as they could go day after day trying to make the country believe that I am a crook or a slicker. I do not say they have lied; they may have been mistaken; whether they have lied or are mistaken will depend on whether or not they correct what they have been saying when they check up on the facts which I am about to state.

I am going to make a statement now as to exactly what has happened in the Committee on the Judiciary with regard to the Hatch bill—and, by the way, with regard to the secret proceedings, I will venture that my newspaper friends, some of them, at least, who have been so concerned about this executive proceeding, if the committee had voted about 3 to 1 in executive session to have brought out the Hatch bill, we would have been a great bunch of statesmen. I think that is a fairly safe statement.

Now, let us see what happened. The Committee on the Judiciary had the Hatch bill under consideration for a long time. As chairman of the committee I thought it was about time I should find out just what the committee had in its mind with regard to that bill, in order that we could determine how we should proceed with reference to it. We had read it and carefully considered it, and were getting ready to see whether we wanted to amend it or not. So I had the bright idea, which does not seem to have been so bright now, of instead of asking each one of the members how he felt about it, so that I could determine whether or not the committee should spend more time in the consideration of the bill, we already having had the bill under discussion for 10 meetings, I prepared some little slips and passed them around and asked this question.

I said, "You gentlemen who would not favor this Hatch bill in any shape it might happen to get in, let me know about it by voting 'No,'" because if a majority of the committee would not favor the bill, regardless of what shape it got into, there was not any use taking up any further time of the committee. That looked like horse sense to me. The result of that inquiry was that 12 Members said they did not favor this Hatch bill

no matter what shape it got into, and 10 advised me the other way. That was a pretty important determination. I thought the committee ought to give it more mature consideration. I did not want to act on that advice.

There were two gentlemen of the committee who were here in the city, but who were not present at that meeting, and there was one member absent from the city. The next day I spoke personally to one member of the committee who was not present and asked him to speak to the other member and to see that everybody was present the next morning, when I would sound out the committee again. No member of the committee objected or indicated that it did not seem a practical procedure.

The first one of these tests the next morning was in favor of going on with the bill. Then one member said there was a mistake in it; that he was mistaken in his vote. It was tacitly agreed that there should be another vote. It was not really a vote. It was just a convenient method by which I was advised as to the attitude of the committee. Nobody questioned the procedure or made any adverse indications of any sort. Next time when everybody got ready to vote, the ballots having already been distributed, one member of the committee said, "Oh, what's the use of playing with it, I move to table the whole thing."

And so by common consent these ballots instead of being used to advise me, as had been intended, were used to vote on the motion to table. There was not a single member of the committee and, they were all present except one, who protested against that method of voting on the motion to table the bill. Those are absolutely the facts which were unanimously agreed to by each member of the committee this morning, both those who were for and those who were against tabling the bill.

Any newspaperman, as anybody else, can check up on this statement, and he will find it true. We were ready to express our views about it, and we did it in that way. It was thoroughly understood and expressed that any member could go out and tell the world what he did. That vote was 14 to table the bill and 10 against it. That is what happened, and that is all there is to this hullabaloo about a secret vote. That is how the newspapers got a chance to have the people read their abuse instead of examine this bill.

If I followed my natural inclination I would take a little hide off this bunch of people who think they can back-seat drive this Congress by making a horrible example of the Committee on the Judiciary and particularly its chairman. I have respect for the newspapers and for the newspaper's place, but I do not propose to "yes" a bunch of newspapers or anybody else. You know what the notion of a lot of fellows of a "yes" man is.

In addition to what I have said, it is a fact that I never said a word to a single member of our committee, and every member of this committee knows it and will so state, to try to influence him in the slightest degree with regard to what he should do with reference to that bill—not one single human being did I speak to from the beginning of that investigation to this time—not because I favored the bill. I assume every member of the committee and most of the House knew from the beginning that I could not favor it, but I was much inclined to the notion that it might be a good thing if the bill should get to the floor of the House. There is something in the philosophy that things sometimes have to get worse before they get better. In such a situation it is better for them to get worse quickly.

I know that something has got to happen to get us on the job as a self-governing people. I have examined the matter by every test which experience has taught me to use in arriving at a sound opinion. It is my judgment that this Republic is being destroyed by relieving the people of governmental responsibility—the same sort of concentration of governmental power, the same sort of processes as that provided for in this Hatch bill.

As we are destroying the necessity of the people to govern by the concentration of power here in Washington, that ought

to be left in the States, we destroy as a result the capacity of the people to govern. I regret especially to oppose my friend the gentleman from New Mexico, JACK DEMPSEY, but I do not believe that we can preserve free government unless we have a responsible people, and we cannot have a responsible people unless we keep them in responsibility. I have tried to figure it the way God Almighty handles the people, and that is the way I think he does it. I am sure of it. We see His plan revealed on every hand, and we see what happens where people ignore His plan.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. SUMNERS of Texas. No, I cannot yield. I do not mean to be discourteous to my friend. If I act with seeming discourtesy during this discussion, I do not mean it at all. I am speaking extemporaneously, and of necessity under great concentration, with my mind thinking, selecting, disconnectedly, and doing all the things it must do, it seems to forget its manners and is constantly embarrassing me. I shall not do as well as some of you might, but let me stumble along as best I can.

Let us make some examination of this Hatch bill to see what it proposes to do. There has been talk about the roll of honor. A roll of honor. Is there any reason on earth why a man should stand on the floor of this House and declare to the world, as he does by supporting this bill, that he represents a constituency not fit for self-government and claim thereby that he is getting on the roll of honor?

And yet they talk about a roll of honor. That declaration is in this bill. What do they propose to do? Let me read you something from this bill:

No officer or employee of any State or local agency who exercises any function in connection with any activity which is financed, in whole or in part, by loans or grants made by the United States or by any Federal agency shall use his official authority or influence for the purpose of interfering with an election or affecting the result thereof. No such officer or employee shall take any active part in political management or in political campaigns.

All such persons shall retain the right to vote as they may choose and to express their opinions on all political subjects and candidates.

Such impudence!

These are State people in a State—in my State—where we have heretofore believed we are not yet so base and unfit that we have to go into governmental receivership, turn our matters over to a Federal bureau and turn our citizens over to the governmental power of somebody from Washington. We do not favor graft or corruption, but we are not ready to go out of business as a State government.

Whose place is it to tell the people of my State what they shall do? My State, the great State of Texas! Do you mean to tell me that my people have not got sense enough and courage enough and patriotism enough to tell their people what to do; that we have to come up here and get one of these appointees to tell the free people of the State of Texas what they shall do? And then talk to me about a roll of honor that in order for me to get on it I must slander my people or the great State of Texas by supporting a bill which can have no justification except on the theory that my people who sent me here are unfit to govern as to their own local matters. If I represented a people like that I would quit them in shame! Talk about the Federal power following the Federal dollar. Here we have it with a vengeance. Where did that money come from? It came from the people of the States. It does not matter how little of it gets back to the States. With it, when it gets back, is to be this Federal official proposing to take things over. As soon as some people get to Washington they begin to cultivate the notion that all wisdom, virtue, and patriotism will die with them.

These are exempt from what I have read: The Governor or the Lieutenant Governor of any State or any person who is authorized by law to act as Governor or the mayor of any city; duly elected heads of executive departments of any State or municipality, who are not classified under the State or municipal merit or civil-service system; officers holding elective offices. They are the ones who are exempt—and they are the people who are most likely to offend. Why these exemptions?

Some common man working for his living, boot him out. Who boots him? They send a commissioner down there—one of these birds from Washington. He comes down into your State, and he noses around, and he finds—not the Governor; you bet your life, not the Governor; not the mayor; no, sir, not the mayor, not the people from whom the danger could come; not a mother's son of them are brought under this great bill; but some poor devil who has not got the influence to resist and has not got the money to fight—one of these fellows comes down and he says, "You are engaged in pernicious activity."

One of these people in Washington saying that to my people. Go down there and tell an American citizen of my State such a thing. Then what happens? What chance has he got? What is going to happen to him? Can he get a trial first? No, sir; not on your life; not on your life under this bill. When this appointed governmental "God Almighty" up here in Washington says he does not think the man is doing right, he goes off the pay roll right then. Think of that, and talk to me about an honor roll.

You have slandered your people, saying that they cannot govern themselves and preserve the purity of elections in their respective districts. Oh, I do not mean that. I am sort of mad. [Laughter and applause.] They have sort of been tromping on me.

All right. Poor devil, little fellow who has been booted out, he sneaks across from Texas to Oklahoma. What happens? One of these hounds strikes his trail and runs him into Oklahoma. What happens then? If Oklahoma does not fire him, they fine the sovereign State of Oklahoma 2 years of his salary because one of these impudent Federal employees says so—he is not afraid—no wonder he is not afraid, with a bunch of boot-licking, spineless people in the State, coming up here to the Federal Government and asking them to preserve decency in the elections in their communities. Talk to me about American citizenry. Strut about American citizenship. Talk to me about decency in American citizens, believing in American Government. Why do you not turn it over to a Hitler and be done with it? That is where you are heading for. [Applause.] And talk about the absurdity of this bill. For pure impudence listen to this on page 3, lines 16 and 17, "All such persons shall retain the right to vote."

That certainly is big-hearted. Now, if you want pure unadulterated gall, listen to this:

Whenever the United States Civil Service Commission determines that, by reason of special or unusual circumstances which exist in any municipality or other political subdivision in the immediate vicinity of the National Capital in the States of Maryland and Virginia or in municipalities the majority of whose voters are employed by the Government of the United States, it is in the domestic interest of persons to whom the provisions of this act are applicable, and who reside in such municipality or political subdivision, to permit such persons to take an active part in political management or in political campaigns involving such municipality or subdivision, the Commission is authorized to promulgate regulations permitting such persons to take an active part in such political management and political campaigns to the extent the Commission deems to be in the domestic interest of such persons.

Who is going to make the exemption? The Commission from Washington, of course. Either we preserve in our Government people capable of self-government or we have got to have one of these governors, and that is all there is to it. Do not fool yourselves, either. How are you going to keep from having them? Keep people on the job of governing.

If you can find in God Almighty's economy any way to preserve decency in our community, responsibility and governmental efficiency, the ability to maintain free government, other than by having the responsibility of self-government inescapably rest upon the people, then I will quit my opposition and vote for this bill. God Almighty in all His wisdom, according to His plan, has no other way for the development of human beings and the preservation of ability, governmental and every other sort, except by putting responsibility upon human beings, making them face their responsibility and pay the price of their mistakes and reap the reward for their non-mistakes. There is no other plan in nature but that, and this Hatch bill turns its back on that plan, denies govern-

mental capacity of the American people in the States; challenges the wisdom of God Almighty's great plan for the development of human beings and cries out for a Federal employee to come down there and kick my people off the pay roll.

What do we mean? What do we mean in this hour when free government, the ability of the people to govern, is challenged in all the world, to declare under the dome of this Capitol we do not believe in it? Keep the plan of this Hatch bill working, practicing the doctrine of defeatism, taking over more and more of the duties of Government, softening and weakening the people, making them irresponsible by relieving them of responsibility, and we will join the rest of the nations who will have to have a dictator. Do not anybody make any mistake about that. You cannot tell me that a man who believes in free government, in self-government, and in the governmental capacity of his people, ought to suggest this sort of bill, even though there is some crookedness going on, things that are wrong.

These difficulties in the communities of the country, these corruptions in public office that need to be cleaned out, are arrangements of Nature that shall and they do challenge men and women to the discharge of their duty. Nobody has ever been improved by things that are all right. It is the weeds that make good farmers. It is tough opposition that makes good football players. It is the law of life. When Uncle Sam goes in the county sits down; nobody has ever made any progress sitting down. It is the people who make this Government, and it is the people who must preserve it. It is the things that are difficult, the things that have to be done, the things that challenge men and cause them to struggle and make a fight and win a victory, that makes them fit to go on and on and on. It is the plan of God, and no man under the dome of this Capitol can overrule the plan of the great God of the universe. Yet we have got some people who do not have any more sense than to think they can do it. [Laughter.]

We are going somewhere from where we are. I have been down the road as far as I can go. I have been back-tracking as far as I can go, and I do not find, in all the history of the ages, a single exception to the rule that when people will not do their duty, when they permit their muscles to become flabby, when they are unwilling to pay the price of liberty; I have never found, in all the annals of human history, a single exception to the rule that that people must be sent to the school of experience and learn, by the lash of oppression, to be obedient to the will of the great God of the universe.

Find me one single exception in all the annals of time that when human beings shift their duty to some super government, are themselves unwilling to pay the price of liberty, that that people were able to remain free. Find one single exception. You cannot do it. Yet we are moving directly in defiance of that solemn warning.

This doctrine of defeatism that we are preaching in America is a doctrine of death. It may be very alluring, this having Uncle Sam come in and do for the people of the States that which is within their governmental capacity, but it is the lure of death to free government. Who is there can believe that we have not got to go back home and clean our own back yards?

The greatest fable to be found in all the fables is that of the family of larks. You all know it. It is worth repeating, for it is the philosophy of life. The old mother lark noticed her young were not quite able to fly but that the wheat was getting ripe. She said to the little larks, "Listen and tell me when I come home tonight what you heard." When the old lark came home that night the little ones said, "The farmer and his sons came out and looked at the grain. They said, 'This grain is getting ripe. We are going to invite our neighbors in to help us harvest it.'"

The old lark said, "You do not have to go yet."

The next report was that the farmer and his sons had come out and said, "Our neighbors failed us. The grain is getting ripe. We are going to ask the kinfolks in."

The old lark said: "You don't have to go yet."

The next report was that the farmer and his sons had said: "Our neighbors failed us, our kinspeople failed us. Tomorrow we are going to harvest it."

The old lark said: "It is time to move."

You bet your life! Oh, may God give us a people in America conscious that they are the Government, a people willing to pay the price of liberty, who will be ashamed to come to the Federal Government and confess their inability to run the local crooks out of their community. God give us men and women under the dome of the Capitol who will be ashamed to confess to the world that they represent constituencies that cannot do the jobs of local cleaning up. If we can be a people conscious of responsibility, strengthened and made responsible by its discharge, I will know that the future of my country is safe. Under the dome of this Capitol, and sometimes in the name of progress, scheme after scheme is evolved to take responsibility, lying close to the people, and shift it up here to Washington. I do not mean to be offensive, but it is a judgment tested by every test by which a human being can test judgment that it is beneath the dome of this Capitol that we are destroying this Republic.

There is not a person in this audience today who can look his little children in the eyes and be sure they can live under a free government. Why? Why? Is it because of fear of foreign invasion? No. There has not been the foot of a foreign foe on this soil in a hundred years. Is it because we do not have the material for food and shelter and raiment? No. Is it because we do not have everything to make us a happy, prosperous, and contented people? No.

What is the matter? The matter is that in America—shame upon this generation—we have turned our backs upon the course of history. We are unwilling to pay the price of being free. Our muscles are soft.

When some trouble comes to my State and to your State in the goodness of God to challenge us to effort, to give us a chance to be a stronger people, a wiser people, a more patriotic people, so that we can have a chance to do the bigger job of tomorrow, what do we do? What do we do? My God! What does this generation do? This generation that hopes that their children may live under a free government—what do their parents do? We turn our back upon the challenge and come hotfooting it up here to get some fellow to come do the job for us. Keep that thing up a little while longer and they will be down there, too, and they will be telling you what to do; and you will do it for two reasons: One, they will have the power; and the other, you will not have sense enough to do it yourself.

God Almighty does not let the ability to do a thing remain where the people who have it do not use it. Do not forget that. I would like to repeat it. It is said there is a law of nature that Nature will not waste its energies. Nature never on this earth permitted ability to do a thing to remain where it is not used. The only way we are going to retain the ability of self-government is by using it, and you cannot use it when you pass bills like this Hatch bill to get somebody else to come in and do your stuff.

Mr. Speaker, how much time have I used?

The SPEAKER pro tempore (Mr. THOMASON). The gentleman has consumed 25 minutes.

Mr. SUMNERS of Texas. Mr. Speaker, I want to show you a little more about this thing; I will show you the evolution of this bill. I am not going to read it all. This Hatch bill had not got over to the House until they decided to tighten it up a little bit. Whom were they aiming at? They were aiming not at a Governor or a mayor but at that fellow they bumped off of the pay roll, and he went over into Oklahoma and they followed him up under the Hatch bill. That man was fighting for his life, fighting for his right to live, fighting for his right to earn a living.

Think of it. He has not had any trial but he had been put off the pay roll. He has to go off when "infinite wisdom" from up here comes down to Texas. He is not fired; oh, no; but he just does not get any money. [Laughter.] It is a pretty serious thing to deny a man the right to make a living just because somebody goes down there who does not think he

is acting right—possibly because he is not voting right. I am not reflecting on anybody. I am talking about power. You put this power into a Federal bureaucracy, Mr. Chairman, and when that Federal bureaucracy has reached its full growth—and we are growing pretty fast—what may happen? Who is to do the enforcing? Is it one of our own local people? No. If there is any prosecution, it has to be by somebody who is a part of that bureaucracy. Did you ever think about that? I will come to it in a minute, and I will talk about it, too.

This bureaucracy business grows mighty fast. It has been growing even since this bill has been under consideration. Under the Senate bill, if anybody was not satisfied with the determination of the Commission he had a right to go to the district court, and when he got to the district court he would have the right to the same sort of trial anybody else had. Was there anything wrong about that?

Think of anybody offering a bill in the American Congress giving to a federally appointed employee the right to bump one of your citizens off the pay roll, follow him into another State, then when he finally gets to court, what shape does he find himself in? If you look at the latest suggested amendment to the Hatch bill which was getting tighter all of the time, you will find this provision—

The review by the courts shall be limited to questions of law—

What law?—

and the findings of fact by the Commissioner if supported by substantial evidence shall be conclusive.

What do you think about that? Talk about honor? Would you deprive an American citizen of a job under these ruthless circumstances and then strut around here and talk about honor? I guess if these papers had let me alone I would not be saying all these things, at least not so much. Let us see where we are headed for and let us see about this outfit we are turning them over to.

In the various States the people elect their own prosecuting attorneys and, you know, it is a mighty fine thing for the people in the States to feel they are responsible for enforcement of their criminal and quasi-criminal laws. I used to be a prosecuting attorney myself. I do not think there is a more ennobling thing for a community than to have that community respond to a challenge of conditions that ought to be corrected. I have seen it happen. I have seen a challenge like that, and men who never knew they had capacity for leadership stand out in that community and become its leaders.

I have seen them when they made a struggle to clean up their conditions. I have seen the community solidarity that has been developed. I have seen the inspiration that has come. I have seen the consciousness of responsibility and, Mr. Speaker, that is a big thing. In your entire life you never have measured up to your highest possibilities except under the challenge of responsibility. They want to take that away by this bill. They want to take that away from the States in this bill and you tell me that is in line with good American statesmanship?

I have seen the thrill of victory that has come to these communities as they have done their job. The philosophy of this bill is against that sort of thing. The philosophy of this bill says, "You poor little communities, you cannot do anything unless Uncle Sam comes down and tells you what to do." That is the truth.

What do you think about that? Talk about honor? You have not got any honor when you agree to that sort of stuff, and then talk about signing the honor roll. Would you de-honor? I guess if these papers had let me alone I would not be saying all these things, at least not so much. Let us see where we are headed for and let us see about this outfit we are turning them over to.

You know, there is one thing these newspapers have done for me in this situation. They have at least made it possible for me to have a chance to have considered these fundamental things we are discussing. Certainly it cannot be charged now that there is any New Deal or anti New Deal involved.

Nobody is going to charge this bunch of anti New Deal newspapers with being favorably disposed to the New Deal. In other words, I have a chance now to discuss this thing without regard to administration or antiadministration, and I am very much obliged to them for that. I am trying to be useful in my day and generation. I regret that I have been compelled to turn aside in any degree from my normal course in this attempt to preserve my possibility of usefulness against the efforts of these papers to destroy it.

I tell you men and women that the time is at hand when we have to consider these great fundamental principles which concern free government, or else free government must disappear from the face of the earth. This is its last remaining citadel not at this moment under threat of destruction. It cannot remain here except a people capable of self-government shall preserve it, and shall defend it. Do not make a mistake about that. When you think of the responsibility of our Nation today, when you think of the doctrine of defeatism of popular government that has established practically every despot that has ever lived on earth, when you think of the great philosophy of the American system of government, which is that its people are capable of self-government and that they must be held in governmental responsibility, then think what we are doing.

It is tragic. With a rapidity unequaled in the history of government, we are converting this democracy into a bureaucracy and everybody knows it. I am not criticizing the persons who are operating these bureaus. Many of them are my personal friends. They are high-class, efficient, honorable persons. I am talking about the nature of bureaucratic government. What is its nature? Is anybody so ignorant of history; is anybody so ignorant of human nature not to know? Does anybody believe that with a bureaucratic government established it will consent to its own dissolution? Has anyone that little sense? The dominating personalities of such a government usually cluster around some more dominant personality or some figurehead whom they dominate. Their first and continuing concern is an aggregate self-preservation. Power feeds on power.

By this sort of legislation we are putting great power in these bureaucratic agents, and there is no reflection on the men who are doing the work in these bureaus. I want that definitely understood. I am not talking about them. It is their government, and they are as patriotic as I am. I am talking about what is happening to the structure of a great government.

Mr. Speaker, let us be sensible about this thing. This is not a small matter. We are at the crossroads, do not make any mistake about that, and we are going to either turn in the direction that leads us toward preservation of the greatest system of government that ever came through the ages, a heritage to our people, or we are going to keep on the road we are traveling.

My God, what a responsibility rests upon you and myself in this the most tragic hour in the world's history, when free governments are disappearing from the earth, when the hope of the ages is centered in my country, and to a large extent centered in those men and women who now sit underneath the dome of this Capitol. What shall we do? Which way shall we go? Shall we go this way or that way? I do not see how anybody with any sense can fail to know that this fallacy of ours leads eventually toward a Hitler, a Stalin, or a Mussolini. That is the direction in which it is leading. It is leading away from leaving responsibility of government close to the people. There is no one that can challenge that. This is a government of the people. There is no king and there is no hereditary nobility in America. It all depends on the people.

Do you think I could come to Washington and subscribe to the notion that even now my people, who have a great ancestry, my people whose ancestors have preserved a system of government from the first century, my people who left to us the greatest governmental heritage ever left to any people since the ages began, have so degenerated that we have to have somebody from Washington go down there and keep them from being crooked in a local election or in any other

election? What do you think of that? I would not do it by my right arm.

We are going somewhere. We are either going back toward the people with these governmental responsibilities or we are going toward a great Federal bureaucracy that eventually will have all the power that Hitler or Stalin ever had. It is inevitable, because when you bring these powers up here—I repeat, I have nothing to say against the people who constitute this personnel, but I am talking about a representative system of government—when you put the power of general government in the Federal organization and destroy the State, the local, responsible, sovereign agencies of government, and put them in the hands of a governmental organization, only one of which is elected by the people, and a million people constitute that organization—why not be sensible?

There is no one who has so little sense that he does not know that the President does not know who these million people are, where they are, or what they are doing with their powers. When you send one of those fellows down into your State, who is watching him? You cannot fire him. You can fire your local attorney; you can stimulate your local attorney to discharge his duty; but when this man comes into your community and you find out he is prosecuting somebody because he did not vote right, what can you do about it? Do not forget where you are putting this power to prosecute.

Do you think that in a fully developed bureaucracy that one who makes up a part of the group will go down and prosecute somebody who is trying to keep him and his group in office? Maybe he would. I would and you would, but that is just two. He probably would prosecute the other fellow when he got around to him, but he would be mighty busy on the ones that did not vote right first. If you have any doubt about it, just check up on history and see how they worked. I am not talking about people; I am not talking about individuals; I am talking about systems of government. Do you think I am going to put that power in the hands of somebody?

Now, you can do what you please about this bill; you are going to do it anyhow. I am proud of my committee. We all get a little warm at times as the weather is warming up a little bit; you know how it is. But I am pretty proud of my committee. I do not think history will pay any attention to me and I do not care. I see a friend of mine here now. When we first came to Congress we were up here in this park, I believe they call it Lafayette Park, where you pass by that horse standing up on its hind legs, that Jackson is riding.

He said, "Hatton, would not you like to know that when you quit here they will do something like this to you?" I said, "No; I would not give a nickel, not a penny." He said, "Well, why?" I said, "In the first place, if this life is all there is to it, I would not know anything about it. If I would go to heaven I could not see it with a spy glass, and if I went to hell I could not enjoy it while being pitched around with a hot pitchfork. Besides," I said, "I do not want to be condemned to eternal horseback riding, anyway." [Laughter.]

I like people; I love people; but I do not think so much of them, especially my own generation. We can go places faster and know less what to do after we get there than any generation that ever lived. I used to think there were some awfully smart people—I mean supermen. I even thought it when I came up here, though I had been weakening on it a bit. I got to batting around here among them, as we country boys used to say, and found out that I was about as smart as many of them, and then I lost nearly all my respect for human intelligence. [Laughter.]

Only God is great in this great economy. The only chance of a really big partnership that you and myself have as statesmen is to find out the plan of God Almighty, the natural laws that govern governments, and try to work in harmony with those laws. Governments are not accidents.

Governments are provided for in the big economy and like all things thus provided for they themselves are governed by natural laws which limit human discretion and determine sound governmental policy. When we examine nature, I do not believe anybody will be confused as to its central objective, and that central objective is the development of people. When you come to examine how people

are developed you have no difficulty in discovering that they are developed as they struggle with difficulty. This is the plan of God. As I have had occasion to say before, and I am certain you will agree, difficulties are the gymnastic paraphernalia provided in nature for the development of people. Where we are making a fundamental and a terrible mistake in America is that when we come face to face with some difficulty in government we immediately feel we must turn in the other direction.

When our people in our communities confront a difficulty in government, instead of grappling with that difficulty, they turn in the other direction. We encourage them. That is the tragic thing. These difficulties are provided for in nature. God Almighty has no disposition to avoid difficulties for people. He provides difficulties for people. The difficulties in government constitute a part of the great gymnastic paraphernalia provided for the development of people. But we who have the responsibilities of statesmen are doing our best to deprive our people of the chance to get that development.

Men love liberty, not that they may enjoy the thrill of being free. Men love liberty in order that they may first struggle to be free and gain strength by the struggle, and then that they may do the work of the day incident to being free. We have been foolish enough in America to believe that we can preserve the blessings of liberty without doing the job which Nature has demanded we shall perform if we are to be free. Think about it, men! We are at the crossroads. Our problems run deep. Human wisdom is not wise enough to guide a great republic in an hour like this.

It is not an unmanly thing for men to seek to know the plan of God Almighty for guidance in an hour like this. With all the nations of the earth and with all the blood and the tragedy of the earth, here we are making shipwreck of a great republic—making shipwreck of a great republic, because we are not holding our people to the discharge of the governmental responsibility which lies within the capacity of the small units of government. That is my firm conviction.

We have a great system of government given to us by the ages, which we are destroying. We have the machinery but we will not use it. We are destroying it.

Our States, not too big, functioning largely through small communities, are the places where the voice of the individual citizen may be heard; not here where it is drowned in the tumult of the multitude. His community is not too big for him to have a chance for his influence to be felt; but not here.

How can you expect the people to be able in the future to do the bigger job of America when you withdraw from them the necessity of doing the job of today? Answer me. I want to repeat that. How can you expect statesmen or the American people to do a bigger job for America, which they must do if we survive, if you withdraw from them the necessity of doing the job of today? That is a tragedy. That is why I cannot support this Hatch bill.

That is why I could not support it, if every one of the papers on the face of the earth denounced me three times a day for not doing it. They cannot do anything to me. I go out here on a clear night and I look up at the stars and I realize that I am on a little clod of dirt, and I see these little things around here, like myself, little microbes on this little clod of dirt, get a little job, maybe running one of these little papers [laughter], maybe holding a job like this, or they have a few dollars and then stick their little noses in the air and go strutting their little stuff for a period measured by the sweep of the ages, no longer than a flash of light. The idea of these little things presuming to tell me what to do. I am glad I cannot say what I want to say. [Laughter.]

If there is any chance for a human being to keep a decent fellow with him when he is by himself—then he is all right, but that fellow wanders off from me a lot, but I feel sort of lonesome when he is gone. When I have a pretty decent fellow with me when I am by myself, do you think any of these little microbes can affect me by sticking out their little tongues or clapping their little hands at me? It is just sort of funny. It makes me sort of mad, but it is funny. [Laughter.]

I tremendously appreciate this audience and, Jack, I love you just the same. He is an awfully good fellow, the gentleman from New Mexico, JACK DEMPSEY. I have not said anything about him. I have said a few things at him. I would not let anybody else do it, either. I appreciate very much talking to you today. I am as grateful as one can be to a bunch that one is mad at, to these newspapers who at last have created a condition that makes it possible for me to discuss these fundamental things that I am pretty anxious about without anybody being able to say that I am saying anything against the New Deal or for the New Deal. I had better quit. [Laughter and applause, the Members rising.]

EXTENSION OF REMARKS

Mr. FERGUSON. Mr. Speaker, I ask unanimous consent to extend my remarks and to include a short resolution introduced by myself.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. SHEPPARD. Mr. Speaker, I ask unanimous consent to extend my remarks made before the House today and to add thereto some statistics.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. KEFAUVER. Mr. Speaker, I ask unanimous consent to extend my own remarks on the Hatch bill.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. MURDOCK of Arizona. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. WALTER. Mr. Speaker, I ask unanimous consent to extend my remarks and to include a letter I received on the Hatch bill.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. BROOKS. Mr. Speaker, I ask unanimous consent to extend my remarks and to include an editorial from the Shreveport Journal.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. LEONARD W. HALL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. HARRINGTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record and to include a letter from the President of the United States, and also a letter addressed to myself.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. CELLER. Mr. Speaker, I ask unanimous consent to extend my remarks.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. HARTER of New York. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. SHORT. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record by including a short article.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. COFFEE of Washington. Mr. Speaker, I ask unanimous consent to extend my remarks and to include a radio address delivered by myself.

The SPEAKER pro tempore. Is there objection?

There was no objection.

BALANCING THE BUDGET

Mr. ENGEL. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record at this point, and to include certain tables.

The SPEAKER pro tempore. Is there objection?

There was no objection.

HOW CAN THE BUDGET BE BALANCED UNDER PRESENT CONDITIONS?

Mr. ENGEL. Mr. Speaker, I ask unanimous consent to insert into the Record two tables compiled by myself, which I shall explain. Table I shows that during the first 6 years of this administration, the several States, Territories, and the District of Columbia paid into the National Treasury in internal revenue \$24,985,417,728. Of this amount \$1,705,000,000 was social-security money set aside for an old-age reserve fund, and for which IOU's were issued, leaving net internal-revenue receipts from the States of \$23,280,417,728.

It shows that the individual States, Territories, and so forth, drew out of the Federal Treasury in some form of Federal aid during that same period of time, \$17,318,263,721. It further shows that during that 6-year period, we paid \$5,339,599,913 in interest on the national debt. In other words, when we take the internal revenue which the States, Territories, and the District of Columbia paid into the Federal Treasury, deduct the amount set aside for the old-age reserve fund of the Social Security Act, also deduct the amount paid back to the States in Federal aid, and also the amounts paid in interest on our public debt during those 6 years, we find that we have left of those internal-revenue receipts less than \$625,000,000 with which to pay the other expenses of Government during that 6-year period.

It is interesting to note that the State of New York, during this 6-year period, paid into the National Treasury \$300,000,000 more than all of the net internal revenue collected by the Federal Government from all the States and Territories in 1939.

I was amazed to learn that the total amount of money paid back to the States in 1939 in Federal aid, plus the interest on the national debt for that year, exceeded the net revenue of the Government by \$200,000,000. When we got through paying back the amount of money to the various States, we had to borrow \$200,000,000 so we could pay the interest on the national debt. In addition to this sum, we had to borrow money to pay for our national defense program and all other operating expenses of the Government. There was paid back to the States in 1939 in Federal aid \$4,420,834,181. The interest on the public debt in 1939 was \$940,539,763. The amount paid to the States, plus the interest on the public debt, was \$5,361,000,000, or \$200,000,000 more than the net receipts of the Government, including customs—and not including the Social Security trust fund—in 1939, which totaled \$5,164,800,000, according to the Treasury report.

Six States—Arizona, Idaho, New Mexico, North Dakota, South Dakota, and Wyoming—have a population of 2,921,174, according to the 1930 census figures. Their combined assessed valuation was \$2,769,000,000. They paid into the Treasury \$71,600,000 and drew out of the Treasury \$849,000,000. In other words, they drew out during these 6 years nearly 12 times the amount they paid in. They drew out \$283 for every man, woman, and child, or \$1,132 for each family of four in those States. They drew out a sum equaling more than 30 percent of the assessed valuation of every piece of property, real and personal, in those six States.

Seventeen States and Puerto Rico paid into the Treasury during that 6-year period \$733,310,613, and drew out of the Treasury \$3,507,887,320, or approximately five times what they paid in. On the other hand, eight States—California, Illinois, Michigan, New Jersey, New York, North Carolina, Pennsylvania, and Virginia—paid into the Treasury \$15,193,329,000 and got back \$6,650,694,000.

It is interesting to note that North Dakota got back 23 times what she paid in, or an amount equal to 43 percent of her assessed valuation, while Delaware paid into the Treasury during the 6-year period a sum that exceeds her assessed valuation. South Dakota got back 22 times what she paid in, or 22 percent of her assessed valuation. New Mexico got back 12 times what she paid in, or 40 percent of her assessed valuation. Idaho got back 10 times what she paid in, or approximately 30 percent of her assessed valuation. Puerto Rico got back 14 times what she paid in; Mississippi, 10 times; Arkansas, 9 times; Arizona, Montana, and Wyoming, 6 times; Alabama and Alaska, 4 times.

The record shows that during that 6-year period we paid back to the States and Territories approximately 75 percent of the money we collected from them. When we paid the interest on the public debt out of the remaining 25 percent, very little was left with which to pay other expenses of Government. It is obvious that no plan of balancing the Budget can be successful so long as we have a condition of this kind existing. You cannot eat your cake and have it. You cannot pay this money back to the States and at the same time use it to pay governmental expenses and balance the Budget. Any plan of balancing the Budget must be based upon a principle that the Federal Government must retain a greater share of the revenue it collected from the States, and that Federal aid to the States must be drastically cut. When I say "drastically cut," I am not advocating the cutting of relief funds beyond such cuts as can be made to eliminate waste and extravagance.

The assessed valuation of Michigan in 1936 was \$5,630,426,000. Michigan paid into the Federal Treasury during the first 6 years of this administration, from July 1, 1933, to June 30, 1939, \$1,275,840,264, or a sum that equals nearly 23 percent of that valuation. It has been estimated that the taxpayers of Michigan have paid, in addition to that sum, during those same 6 years, somewhere around one and a half billion dollars in State and local taxes, fees, and so forth. The total cash disbursements of the State, according to the State treasurer's report for 1938, was \$241,345,199. This does not include city, county, township, and other local taxes, fees, and so forth. When we add this State and local tax burden to the Federal burden, we find that the people of Michigan—and they are all taxpayers, direct and indirect—have paid into the Public Treasury during those 6 years a sum that equals nearly 50 percent of the assessed valuation of every piece of real and personal property placed upon the assessment roll by the local assessing officers in 1936.

Michigan's population in 1930 was 4,842,345. This means that there has been collected in Michigan in various kinds of taxes—Federal, State, and local—during those 6 years a sum that equals somewhere around \$500 for every man, woman, and child in the State, or a sum that equals somewhere around \$2,000 for every family of 4 in the State.

Looking into the future, the taxpayer cannot see how that burden will be lightened. He finds that unless drastic changes are made, and drastic economies are invoked, he will probably have to pay a sum that equals another 50 percent of the assessed valuation during the next 6 years.

In addition to all this, the industrialists and farmers know, and should know, that the national debt has reached \$45,000,000,000, and the State and local debt for the Nation is now somewhere around \$20,000,000,000, or a total public debt of \$65,000,000,000. This sum is almost equal to another 50 percent of the assessed valuation of every piece of property in America as that valuation stood in 1935.

The taxpayer, whether businessman or worker, knows that this tremendous debt is not only a first mortgage on every piece of property in the country equaling 50 percent of its assessed valuation but is a first lien on every dollar that is earned, whether in dividends or by labor. There is no exemption when it comes to paying indirect taxes. Taxes are paid on the bottle of milk the hod-carrier's baby drinks, as well as on the 12-cylinder car the millionaire drives.

I realize, of course, that some of the taxes levied in Michigan are passed on to the consumer in other States, but I realize also that some of the taxes levied in other States are likewise passed on in some form or other to the consuming taxpayer in Michigan.

In view of these facts, is it surprising that the country is alarmed because after nearly 7 years of the New Deal spending program we still have some 10,000,000 people unemployed and millions more on relief? How can industry carry a burden of this kind and still furnish employment to the unemployed? How can the farmer expect to get fair prices for his products when the prices of those products are increased by direct and indirect taxes to where the public, whether employed or unemployed, cannot pay an adequate price or consume an existing surplus? The tax hounds are not only eating all the meat—profit—but they are gnawing at the bone—capital structure.

Mr. Roosevelt, 8 years ago, in 1932, had a philosophy of government which I believe was sound, and which I believe would have carried us out of the depression. Typical of the many expressions is the following, which he made at Pittsburgh on October 19, 1932:

Taxes are paid in the sweat of every man who labors. If excessive, they are reflected in idle factories, tax-sold farms, and hence in hordes of hungry tramping the streets and seeking jobs in vain.

That statement was true in 1932. Subsequent events have emphasized the soundness of that philosophy. Any sound program of recovery to be successful must be based upon that principle. If that statement was true then, how much more true is it not now in the face of the present picture?

TABLE I.—Internal-revenue collections and Government payments, by States, July 1, 1933, to June 30, 1939, inclusive

EASTERN STATES						
	Popula- tion ¹	Assessed valuation ²	Internal-reve- nue collections	Government payments	Per capita collections	Per capita payments
Maine.....	979,423	\$663,532,161	\$64,047,314	\$80,649,909	\$65.39	\$82.34
New Hampshire.....	465,293	558,986,024	38,540,463	57,144,703	82.83	122.81
Vermont.....	359,611	272,872,962	18,255,338	48,511,839	50.76	134.90
Massachusetts.....	4,240,614	6,444,000,271	829,073,530	605,202,331	195.09	142.41
Connecticut.....	1,606,903	2,943,537,356	371,201,141	163,472,495	231.00	101.73
Rhode Island.....	687,497	1,335,295,386	136,049,198	76,431,580	197.89	111.17
New York.....	12,588,066	25,667,925,760	5,507,911,979	1,873,541,323	437.55	148.83
New Jersey.....	4,041,334	5,879,166,815	963,530,447	469,456,062	238.42	116.16
Pennsylvania.....	9,631,350	12,065,399,666	2,054,690,813	1,307,569,961	213.33	135.76
West Virginia.....	1,729,205	1,729,495,451	97,361,310	216,484,671	56.30	125.19
Maryland.....	1,631,526	2,629,049,410	460,856,428	164,854,819	282.47	101.04
Delaware.....	238,380	297,692,266	300,327,328	26,850,052	1,250.87	112.67
District of Columbia.....			130,326,781	117,401,097		
SOUTHERN STATES						
Alabama.....	2,646,248	\$917,543,734	\$74,118,775	\$302,731,752	\$28.01	\$114.40
Arkansas.....	1,854,482	411,419,430	31,742,793	273,753,785	17.12	147.62
Florida.....	1,468,211	499,372,925	187,026,796	208,121,996	127.38	141.75
Georgia.....	2,908,506	1,059,819,000	170,819,947	297,248,628	58.73	102.20
Kentucky.....	2,614,589	2,470,506,437	618,960,325	264,746,933	236.73	101.26
Louisiana.....	2,101,593	1,348,163,553	195,889,057	262,531,729	93.21	124.92
Mississippi.....	2,009,821	545,649,495	24,888,120	255,713,070	12.38	127.23
North Carolina.....	3,170,276	2,184,061,652	775,613,576	273,714,977	244.65	86.34
Oklahoma.....	2,396,040	1,233,781,471	306,040,107	363,007,853	127.73	151.50
South Carolina.....	1,738,765	362,934,109	77,862,401	217,719,158	44.78	125.21
Tennessee.....	2,616,556	1,480,430,481	144,566,200	245,982,548	55.25	94.01
Texas.....	5,824,715	3,157,529,185	592,040,405	713,632,023	101.64	122.52
Virginia.....	2,421,851	2,064,049,259	1,005,940,355	197,722,183	415.36	81.64

¹1930 census.

²In 1935 or 1936.

TABLE I.—Internal-revenue collections and Government payments, by States, July 1, 1933, to June 30, 1939, inclusive—Continued

MIDDLE WESTERN STATES

	Popula- tion	Assessed valuation	Internal-reve- nue collections	Government payments	Per capita collections	Per capita payments
Ohio.....	6,646,697	\$8,683,851,057	\$1,371,108,172	\$1,010,872,084	\$206.28	\$152.09
Michigan.....	4,842,345	5,659,727,087	1,275,840,264	628,559,938	263.48	129.80
Indiana.....	3,238,503	3,693,896,218	490,869,313	438,332,911	151.57	135.35
Illinois.....	7,630,654	5,269,827,000	2,159,020,736	1,055,904,590	282.94	138.38
Wisconsin.....	2,939,006	4,263,845,401	417,741,906	463,695,740	142.14	157.77
Minnesota.....	2,563,958	1,957,812,381	342,201,574	448,730,202	133.47	175.01
Missouri.....	3,629,367	3,821,563,766	619,549,147	476,075,810	170.70	131.17
Iowa.....	2,470,939	2,915,453,234	108,955,498	290,991,837	44.09	117.77
North Dakota.....	680,845	489,895,606	9,016,868	205,685,346	13.24	302.10
South Dakota.....	692,849	969,908,600	9,738,445	216,755,824	140.56	312.85
Nebraska.....	1,377,963	2,060,835,168	86,493,683	244,068,005	62.77	177.12
Kansas.....	1,880,999	2,710,976,546	122,366,142	303,655,548	70.37	161.43

MOUNTAIN STATES

Arizona.....	435,573	\$357,966,807	\$17,095,460	\$101,332,784	\$39.25	\$232.64
New Mexico.....	423,317	282,430,833	9,773,042	119,040,738	23.09	281.21
Utah.....	507,847	518,830,745	36,494,720	114,602,062	71.86	225.66
Nevada.....	91,058	184,531,441	18,949,939	47,962,528	208.11	526.73
Colorado.....	1,035,791	1,083,350,535	147,644,710	249,059,180	142.54	240.45
Wyoming.....	225,565	308,500,347	13,008,096	79,095,466	57.67	350.65
Idaho.....	445,023	369,506,621	12,980,035	127,380,862	29.17	286.23
Montana.....	537,606	1,049,612,827	31,718,710	185,256,356	59.00	344.60

PACIFIC STATES

Washington.....	1,563,396	\$1,083,329,750	\$147,647,637	\$275,862,113	\$94.44	\$176.45
California.....	5,677,251	7,258,146,172	1,400,687,868	844,225,509	246.72	148.70
Oregon.....	953,786	924,071,621	63,998,251	179,389,615	67.10	188.08

TERRITORIES

Alaska.....			\$2,554,609	\$10,336,196		
Hawaii.....			57,487,619	42,786,721		
Philippine Islands.....			4,123,473	837,469		
Puerto Rico.....			5,698,264	74,230,441		

PER CAPITA INTERNAL-REVENUE COLLECTIONS AND GOVERNMENT PAYMENTS, BY SECTIONS, JULY 1, 1933, TO JUNE 30, 1939, INCLUSIVE

	Per capita collections	Per capita payments
Eastern States.....	\$275.91	\$119.58
Southern States.....	120.23	116.97
Middle Western States.....	140.13	174.24
Mountain States.....	78.84	311.02
Pacific States.....	136.09	171.08

TABLE II

	Popula- tion ¹	Assessed valua- tion ²	Internal-reve- nue collections	Government payments	Per capita collections	Per capita payments
Arizona.....	435,573	\$357,966,807	\$17,095,460	\$101,332,784	\$39.25	\$232.64
Idaho.....	445,023	369,506,621	12,980,035	127,380,862	29.17	286.23
New Mexico.....	423,317	282,430,833	9,773,042	119,040,738	23.09	281.21
North Dakota.....	680,845	489,895,606	9,016,868	205,685,346	13.24	302.10
South Dakota.....	692,849	969,908,600	9,738,445	216,755,824	140.56	312.85
Wyoming.....	225,565	308,500,347	13,008,096	79,095,466	57.67	350.65

¹ 1930 census.² In 1935 or 1936.

The SPEAKER pro tempore. Under special order the gentleman from California [Mr. VOORHIS] is recognized for 45 minutes.

SHALL OUR CHILDREN LIVE UNDER A FREE GOVERNMENT?

Mr. VOORHIS of California. Mr. Speaker, I have asked this time today in order to discuss what seems to me to be the problem that lies closest to the question which was touched on by the gentleman from Texas [Mr. SUMNERS] in his very moving address, namely the question as to whether our children will live under a free government or not. It seems to me that question is going to be primarily decided by whether or not we are wise enough and earnest enough to prevent the coming to this country at any future time of what might be called a "revolutionary situation." What does that mean? It means a situation in which the hopelessness of the people about an improvement in their situation causes a break-down in their faith in duly constituted government, and until such situation comes there is little, in my judgment, to fear from any movement which seeks to accomplish the destruction of democracy in America. I think there is more than one group in this country that might today hope to benefit from a revolutionary situation. I think there is one group on the extreme left and another

group on the right which does not operate so much in the open, and I think in the long pull the group on the extreme right is far more likely to be the force that does our democracy away. It has been so in every other industrial nation. But all that is necessary to give such groups a chance is long-continued failure on the part of the forces of progress to offer the people substantial hope of security and a betterment of their condition, and all those who would like to see democracy preserved have got to battle against the bitter intolerance of new ideas and the lack of response to measures for a constructive solution of our problems.

I would like to make one brief comment on the speech we have just listened to by the gentleman from Texas [Mr. SUMNERS] and to say just this much, that there are those people who believe differently about the so-called Hatch bill, for the reason that we would like to do something to prevent the possibility of people from Washington coming out in our States, and preventing people from continuing perhaps to do a very good job in some capacity of Government service, just because those people do not happen to perform the political activities which might be asked of them; and I am not sure that the whole issue is by any means on one side, if we are going to consider the question of what is good government and what will promote responsibility on the part

of the people. One thing people certainly should be responsible for is the job they are hired to do in Government service. And some of us do not want anything to interfere with that.

UNEMPLOYMENT

It is my purpose this afternoon to discuss as well as I can in what really is a short space of time the problem of unemployment, and I want it to be understood in the remarks I make that they are not made in any spirit of attack on industry or attack on anything else or anybody else. They are made in a spirit of trying to analyze this problem and see what measures we have to take in order to promote the reemployment of our people. I start with a short quotation from Msgr. John A. Ryan, of Catholic University, one of the truly great leaders of progressive thought in America.

QUOTATION FROM MONSIGNOR RYAN

He says this is a little booklet entitled "Can Unemployment Be Ended?":

Why has unemployment become so widespread and why has it lasted so long? To this audience I repeat the same answer that I have given to some 50 other audiences during the last 10 years. The answer can be stated in two words—"bad distribution." To the question which forms the title of this address, "Can Unemployment Be Ended?" the answer is "yes" if the right methods are adopted and if they are applied over a period of from 5 to 10 years.

Then he goes on to describe what he means by bad distribution, and how it leads to a superabundant setting aside of income by about one-third of the population, with a corresponding inability on the part of the other two-thirds to purchase the things that they really need.

Father Ryan gives this illustration:

Suppose that one-third of the people of New Orleans (which happened to be the place where the address was given) who now receive higher incomes than the other two-thirds, were to save, on an average, one-half of the amount that they now spend for necessities, comforts, and luxuries, what effect would that conversion of spending into hoarding have upon the merchants and businessmen in this city? I need not give you the answer.

THE DISTRIBUTION OF AMERICA'S BUYING POWER

I have here a chart, a most impressive one to me, on income levels in American life. That pyramid represents a division of the American population and shows that at the bottom you have 8,000,000 people who are described on this chart as being very close to hunger all the time. Just above it you have 11,000,000 people who are described as fighting poverty. Above that the comfortable middle class of 8,000,000. Above that the luxury level of 1,585,000 families. And above that people receiving over \$5,000 a year, the income savers, the saving level of 800,000 families.

IDLE DOLLARS MEAN IDLE MEN—PROBLEM OF TAX-EXEMPT BONDS

We have heard a good deal about "the devastating effects" of idle capital, of money lying in the banks unused, uninvested, and unspent. We know that our system of economics only works if those savings are promptly put to work. At the present time, and here is one of the solutions I would advance to this problem, at the present time we find ourselves rewarding the people who fail to make investments in constructive enterprise. Why do I say that? Because we offer to those people of substantial means the opportunity to purchase tax-exempt securities; to put their money into savings even if of low yield, investments where they will not be subject to any tax whatever. Furthermore, we tax quite heavily the consumption of the people, the expenditures for the necessities of life, and at the same time we have no provision for the taxation of idle accumulations, nor do we, in my judgment, have the levels of inheritance and income taxation which we ought to have if we really mean business about balancing the Budget and also having a general prosperity.

EFFECT OF HOARDING

I have said many times on the floor before today that industry and agriculture must in each year recover out of the sale of their products at least as much as they disburse in paid-out costs, which in turn are the realized income of all the people of America. And if, as is true, approximately 20 percent of our national income is saved by the top one-third of our people, then we find that industry and agriculture literally cannot recover the cost of the goods that they produce, and you have depression resulting.

The American Federation of Labor submits these figures: That families with incomes of \$1,250 and less spend each year more than they receive. They sell property or do something. I do not know how they manage, but at any rate they spend on an average about \$92 a year more than they receive. Those are the figures of the National Resources Planning Board as well. The A. F. of L. proceeds with figures in their monthly survey of business for the first quarter of 1940, in which they say that families with incomes of \$3,000 and less spend 99 percent of their income, and that families with incomes of \$20,000 and above save 51 percent.

HOW ABOUT "CONFIDENCE"

Now, what is the answer to this problem of idle dollars, this problem of bad distribution of income, which is the cause of idle dollars? Is it just to restore confidence? I want to know, in the first place, what we mean by "confidence." Do we just mean that people are going to be willing to put unlimited amounts of money on the stock market, as they did in the late 1920's? That is not going to help us out. It will lead to a new collapse. Do we mean that a war starts some place, as it did last September, and because of the anticipation of war orders you have an increase of production in some few industries in America? Or do we mean by "confidence" that because of the fact that we have seen to it that there will be an even and just flow of consumer purchasing power in the American people's hands, therefore the producers of America have confidence that there will be orders for goods available when those goods are produced?

So I say I think every attempt should be made for the encouragement of business, but I do not think it can possibly be encouragement to business to take any step which cuts consumer buying power in any direction whatsoever—such as by cutting the W. P. A. employment at a time like this.

HOW ABOUT THE 1920'S? AND DEBT?

The 1920's have been discussed a good many times and pointed to as a period of great prosperity. It has been said that we ought to get back to that period so that we would not be increasing the public debt like we are now. I have some interesting figures here that in the decade of the 1920's the debts of local governments, States, and counties, increased a total of \$10,000,000,000; that we made foreign loans so that foreign countries might buy goods from America, of about five billion dollars, which were never repaid, and that consumer debt expanded \$10,000,000,000.

You have \$25,000,000,000 of new debt injected as buying power into the purchasing-power stream in those twenties. Those debts, most of them, the consumer debts and the foreign loans at least were never paid. We see this debt problem more plainly now than we have ever seen it before because it is concentrated largely in one place, namely, the Federal Government. We must have an increase in the power to purchase, else we will find that we simply are failing to decently operate what ought to be an expanding dynamic economy, and our failure can be directly traced to the fact that we are trying to operate it on the basis of a debt-money system, where the greater your power to produce becomes the greater your debt must be, because your medium of exchange is literally based on that debt. We need to learn that when our power to produce increases it ought to be true that we will, under those circumstances, increase the volume of our active buying power without an increase in public debt.

REASONS WHY A RETIREMENT PENSION SYSTEM IS AN ECONOMIC NECESSITY

One-third of our people today can produce all of the necessities of life needed by all the people, but unless all the people are able to consume their share of those necessities, even that one-third cannot keep their jobs. We have today a vast excess of unused capacity in industry. Technological improvement increases it every day. I do not know a single businessman—maybe there is one—who would like to see additional capacity in his own industry. Oh, yes; they like to see somebody else expand; they would like to see capital expenditures made in another industry but not in their own, because they feel and know that there is already enough unused capacity

in their particular field to more than supply the demand for the goods of that particular field. What those businessmen want is more demand for the goods they have capacity to produce and sell. So I think that means that we have got to consider this question of unemployment primarily from the standpoint of that consumer demand, and we must further realize that the only answer to it is a higher standard of living, that you cannot solve unemployment merely on the basis of producing food, clothing, and shelter for the American people. If you are going to add to employment then, and if you do not want to give purchasing power away to foreign countries so they can just take your goods and never pay for them, or do some other crazy thing in order, deliberately, to create that new demand—indeed, if you want to avoid a constant danger of war you must have considerable new investment in what I might term social capital, such as health service, more hospitals, better homes, more things to make life better, richer, and fuller, not just because we want to pamper anybody, but because it is an economic necessity that we should have that kind of thing, else we will bog down industry after industry with unused capacity.

Let me ask you to think of this: In the years 1935, 1936, and 1937 American industry spent \$17,400,000,000 for additional plants. There was that much plant expansion paid for in those years. Of that \$17,400,000,000, \$16,000,000,000 came from internal sources—I mean it came out of the corporate savings of those industries themselves; I mean they did not have to borrow a dollar of it or get a dollar of it from any other investor at all. It came out of their own depreciation accounts. It had already been paid for by the people who bought the goods. Business and the public, too, cannot put money aside in anything like that volume and still have a market. You cannot eat your cake and have it too, Mr. Speaker; you cannot let great corporations and a few people accumulate in idle pools as much money as they want to and also have the people as a whole able to buy the goods that are produced, perhaps, by those very same people's industries. We expect unlimited investment opportunities without a distribution of buying power, and such a combination simply is not possible. The general pattern of the answer that is to be given to this phase of the problem—of excessive accumulations of idle funds—and I think it is a long-time problem—I mean I do not think it is going to be removed by confidence or anything like that; I think the basic answer to it is, generally speaking, this: We must have a tax program, together with a social-security or a pension program, or whatever you want to call it, which will lift about \$4,000,000,000 to \$5,000,000,000 annually out of what would otherwise be idle funds desiring to be invested but not finding profitable investment into the active stream of consumer purchasing power. I want to see that done not in some hit-or-miss manner by pushing certain people onto relief who ought to be at work and paying them a dole. I do not want to see some people a part of the economic system and other people not a part of it, but I believe the way that that has got to be taken is by deciding that those people who have served the Nation longest shall be permitted to consume, although they do not produce. Coupled with that, I think there ought to be a tax which would reduce the volume of now-idle funds. If that is done, you will find that the remainder of the accumulations in the hands of the class that can save will find opportunity for prompt investment—first, because the investment-seeking funds will be smaller in total volume; and, second, because there will be a better demand for consumer goods and hence more likelihood of a good market for the increased volume of commodities to be produced as a result of the investment.

Mr. SCHAFER of Wisconsin. Will the gentleman yield?

Mr. VOORHIS of California. I yield to the gentleman from Wisconsin.

Mr. SCHAFER of Wisconsin. Would the gentleman then advocate repeal of the social-security pay-roll tax, and have the funds for the operation of the social-security program collected from some other source, say by a net-income tax?

Mr. VOORHIS of California. I would be very much better satisfied if that were done.

Mr. SCHAFER of Wisconsin. That pay-roll tax decreases the purchasing power of the rank and file of the mass of producers?

Mr. VOORHIS of California. Inevitably that happens and furthermore, it is a very difficult act of administration, both from a national standpoint and from the standpoint of the individual businessman. I would like very much to see us have the nerve to fix our individual income-tax rates at a point where they would be proper to finance to system of social security and old-age retirement pensions. I would rather see that done.

NEED FOR EXERCISE BY CONGRESS OF ITS POWER TO CREATE NATION'S MONEY

That is not the whole story. It is not just a question of idle funds. It is more than that. We are afraid of machines. We are afraid machines are going to take jobs away because we as a nation have never realized that they are wealth-creating and, therefore, demand the creation of additional debt-free medium of exchange. The great problem of America is for us to see and understand that the right to create the medium of exchange is a national right and must be lodged in this Congress and must be exercised by it. If I could do that one thing, I would rather do that than anything else in all the world.

If all the income in the hands of those who are able to save were promptly invested in new capital goods, we would have no trouble to maintain employment in that year. If all the savings are invested in a current year, everything will be all right for that year, but the next year you have an additional capacity that you did not have before and you have to have an additional buying power to match it. Always in the past we have tried to get that by expansion of debt, because the only way we create money now is by the creation by the banks of demand deposits so that loans can be made by the banks. You cannot have that go on, because your debt cannot expand forever. So what happens is that periodically you have a collapse and the savings of the country are wiped out, your property values are cut in two and misery spreads among the people.

That happens because the people who control the creation and destruction of our bank-deposit money will see that it happens. As soon as they discover that the purchasing power of money is going down and prices rising, they will find their particular commodity—money—is getting too cheap and, as they did in 1920 and 1929, they will withdraw from circulation several billion dollars of bank credit merely by not renewing loans, which is all they have to do in order to increase the value of money and drive down the value of everything else. And yet we sit here helpless and say the only thing we can do is increase the public debt to meet the problem. That is wrong.

WHEN EFFICIENCY INCREASES

Mr. Speaker, the Brookings Institution gives out the figures that between 1922 and 1929 the output per worker in the United States increased by 18 percent. That means one of three things was going to happen. Either the price of goods was going to decline 18 percent so that the people would be able to buy 18 percent more goods, with the same volume of buying power, or if that did not happen you were going to have to create 18 percent more money as an addition to the consumer purchasing power of the country, that is, 18 percent more money in active circulation in the hands of the consumer so that they might buy 18 percent more goods, or else you would have to fire 18 percent of the workers and cut down that much of your force because you could produce as much as you did before with less people.

Monopoly control of industry prevented a reduction of prices. Monopoly control of finance prevented an increase in the volume of money in circulation. So the third thing happened. May I say, I am not one who believes that the right solution of this lies in a general reduction in prices. I do not think that has ever worked. I think we can look at the history of our country over a long period of time and we will find that never has there been a period of prosperity when the price level was going down, and as John Maynard Keynes, the great

English economist, stated, over a long period of time there has been a tendency for the wage unit to rise constantly. In other words, the answer to increased production is increased buying power for the people who must spend because they have need of goods. The question is, Shall creation of money follow automatically upon the creation of wealth or must debt always intervene and cause collapse and depression? Production we find is increasing and has in recent years increased. This additional production of goods results in the creation of real buying power—for real buying power is goods produced—but it must be represented by the tickets which we call money and these tickets if poorly distributed or in insufficient quantity means that some of that real buying power in the form of goods produced cannot be taken off the shelves.

CENTRAL PRINCIPLE

I am going to skip some excellent quotations which I have here, because I will not have time. The main point I want to make this afternoon is this: As the Nation, through the genius of its inventors, the organizing ability of its executives, the skill of its labor grows, as its power to produce increases, there is required additional consumer demand. At present that increase has been accomplished only by an increase in debt, because the Congress has given away its constitutional right and duty to create the money of the Nation. Instead it should be our primary economic law that the growth of productive power of the Nation should be matched year by year by a corresponding percentage increase in the volume of money in circulation. And that money must be created debt-free by the Congress of the United States.

To illustrate my point I submit the following quotation from *Institutional Economics*, page 589, by Prof. John R. Commons, for many years dean of American economists:

The fundamental reason why the share theories of the national monetary income do not account for the alternating booms and depressions is because increasing the share of one class reduces the shares of other classes and does not change the total purchasing power of all classes. The purchasing power of all classes, whether expended as savings or expended for consumption, furnishes the same employment for labor, barring temporary difficulties of adjustment. In order to increase the purchasing power of labor the unemployed must be put to work by creation of new money, and not by transferring the existing purchasing power of taxpayers to laborers, as Malthus proposed, nor by borrowing money by government which transfers investments but does not augment them. This new money cannot be created and issued by bankers, either in commercial, investment, or central banks, because, in a period of depression, the margins of profit have disappeared, and there are no business borrowers willing to cooperate with bankers in creating the new money. In order to create the consumer demand, on which business depends for sales, the Government itself must create the new money and go completely over the head of the entire banking system by paying it out directly to the unemployed, either as relief or for construction of public works, as it does in times of war. Besides, this new money must also go to the farmers, the business establishments, and practically all enterprises, as well as to wage earners, for it is all of them together that make up the total of consumer demand.

Here is something I put in a little pamphlet I wrote 2 years ago which I would like to read:

The Government of the United States has a primary duty to see to it that the consumption of the Nation keeps pace with its production, and one of the primary methods it must use in accomplishing this is the establishment of a scientific relationship between the supply of money in circulation and the productive capacity of the country.

As long as there are idle noninvested funds, and too much investment money, as long as there is idle, unused machinery and manpower, there are only three answers to the problem: First, either compensate for the drawing off of that idle money by Government borrowing and Government spending of a like amount; second, set up a system of taxation for the payment of some kind of benefits, either old-age retirement pensions or by the payment of wages to people for real work done; or, third, provide a scientific, modern, and workable monetary system.

Government debt today is simply a substitute for private debt, made necessary because of the paramount need to try to keep our debt-money exchange medium up to a point where it will demand the additional use of now idle productive capacity.

PROBLEM OF MONOPOLY WITHOUT MONOPOLY MACHINES WOULD NOT CAUSE UNEMPLOYMENT

I said a while ago we are worried about the machine, and we are afraid of the machine, and I have given you one reason why. There is another reason why. I do not believe that machines would create unemployment if it were not for the fact that many of the machines are controlled by monopolistic concerns, but monopoly plus the machine or monopoly plus technological improvement does mean unemployment. Technological change without monopoly would not mean unemployment. Monopoly causes unemployment because it maintains high prices and restricts output. Competition cannot do either of these things even if it wanted to. Monopoly siphons off the benefits of the machine into huge corporate surpluses made possible by excess monopoly profits.

Under conditions of true competition, the benefit of the machine would go to the consumers in lower prices and to the producers engaged in larger production of other goods for which consumers would have purchasing power which they did not have before. Such considerations are among the best arguments for such enterprises as the Tennessee Valley Authority, which have the effect of breaking down monopoly price structures and reducing the cost of electricity to consumers.

So we find that we have a great growth of the productive power of the country brought about by technological improvement over the years, that we have a great disparity in income between various income groups, that we have to have abundant consumption in order to have abundant production, that all efforts must therefore be directed to increasing that active consumer demand, and that only by higher living standards among our own people, by enabling our people to consume what they can produce so easily, can we solve this problem and put our people back to work.

CAUSES OF UNEMPLOYMENT

I would list in the following order the main causes of unemployment:

First, a faulty distribution of income as between the various groups of our people, as between different sections of our country, and between agriculture on the one hand and industry on the other. Second, the large volume, as a consequence of bad distribution, of idle accumulations of would-be investment funds. Third, monopoly, technological change, and the machine, which I have said are bad only when and because controlled by monopoly. Fourth, low farm income. And, finally, the debt-money system, which prevents any other method than an increase in public debt being used to keep the volume of active buying power in line with the Nation's power to produce.

LONG-RANGE BASIC ATTACK ON UNEMPLOYMENT

I have already suggested several things that I think must be done about this problem. I want in just a very few minutes to give you what seems to me to be a valid, long-range program to end unemployment, the sole aim of which is production and consumption of abundance. We cannot do justice to people when by helping one we hurt another. Instead of battling over the division of a "too little" we ought to be working to change that "too little" into "enough for all." Our effort must not be to regulate scarcity but to induce abundance.

FIRST. TAXATION

The things that I will mention here are in five fields. In the first place, in the field of taxation, our major purpose must be to tax money that is not spent or invested—that is, idle accumulations. Our second effort should be to place the burden where it can best be borne. Our third principle should be to levy by direct taxes and not hidden taxes. Specifically, no more tax-exempt bonds, and a provision that even now the income derived from tax-exempt bonds must be reported in making an income-tax return as a part of the income received by that person. This he is not now required to do. For tax purposes the income from tax-exempts is regarded as nonexistent. That one thing will mean that we cease encouraging people to put their money away into the

purchase of instruments of debt, and thereby encourage the man who does invest in constructive enterprises.

In the second place, for reasons that will soon be evident, there must be an increase in income, inheritance, and estate taxes, and lower exemptions in these cases; an increase in income taxes in the middle brackets; yes, and some lowering of exemptions. The exemptions from the estate tax, totaling about \$120,000 in all, are far larger than they should be. I would graduate corporate income taxes more than they are, but I would exempt the little corporation—for example, the one earning \$10,000 or less—completely, and I believe it could be done without too much loss of revenue.

Then, I would pass a bill at the moment, a war excess-profits tax bill, one of which I have introduced. Its number is H. R. 9513. This bill, which I have already explained to the House, is based on the principle that you take a base period and figure normal profits, but never less than 5 percent, and the tax does not apply to those normal profits at all, but it does apply to those corporations which are benefiting greatly today, a few, in a few lines of business, out of the war situation abroad, while many other sections of the American economy are hurt by it. The bill I have introduced would, experts tell me, raise some half billion dollars of revenue.

As I said to the gentleman from Wisconsin a while ago, I would replace the pay-roll taxes that we now have for social-security purposes with the other forms of taxation I have just mentioned. I think they are sounder taxes because, I believe, they would go much further in bringing about this balance between consumer buying power and investment funds, about which I have spoken. As a further measure along this line I would reduce just as much as possible the consumption taxes, except the ones on liquor and tobacco.

SECOND. NATIONAL SYSTEM OF RETIREMENT PENSIONS

The second thing I think we need is a system of retirement pensions for the older people of the country. I think we need it because a part of our people can produce enough for all the people, and therefore, and under those circumstances, you have to have some of the people who are able to consume even though they do not take part in current production. If that is true, this group should not be selected on a hit-or-miss basis, with Tom Jones, over here, with a wife and four children, out on relief or something like that when he ought to be and wants to be at work. This group of people can be selected on the basis of age, as having made their contribution, for then there is no danger of the discouragement and sapping of the spirit that might take place in younger people, but where there can be a reward for service rendered. Such a system of general retirement pensions for people past 60 should be used as our principal means of keeping a balance between our capacity to produce and our power to consume.

I would have it a general system. I would have it the same in every State of the Union, and I would have it apply to every group in the population, with the possible exception of those whose current income is sufficient so that they clearly do not need it. Do not make anybody take it. Do not say you have got to take it; but say if you have no other means of income and if you wish to retire from industry, then you may retire decently and with respect.

THIRD. CURE MONOPOLY

The third thing I would say is basically important is a restoration of competition, and a curbing of monopoly to the greatest possible extent. I think we have been all too shortsighted about the enforcement of the antitrust laws, trying to save a million dollars or something like that by cutting the appropriations for that purpose, when we ought to have seen that the very future of democratic government may well depend upon the break-up of some of these monopoly holdings. We have not explored, so far as I know, the inter-corporate dividend tax where the changing of two little figures in the revenue laws which allow an 85-percent exemption to corporations on dividends received from other corporations might be of telling effect in breaking up control of one corporation by another one. If we reduced that dividend exemption to 50 percent, let us say, we would break up more holding companies than we ever can break up by regulation.

Then I think it is most important that we do what we can to equalize credit opportunities for small business as compared to great business. Perhaps the greatest injustice in the whole financial system is the fact that those who enjoy the privilege of creating credit can create at will bank-deposit credit and buy real property in America with it. They can decide what business is going forward and what business is going back or what industry is going to go forward or what industry is not. The little fellow does not have much chance. So I insist that one of the main things to be considered is the equalization of credit opportunities between large- and small-scale enterprises.

Maybe this is not economically perfect. Maybe you could theoretically get more goods produced under monopolistic conditions. But you cannot get them sold. And I am sure that in preserving a free democracy it is necessary to preserve as the backbone of the Nation the independent farmer and the small-scale merchants and the small manufacturers.

FOURTH. JUST INCOME FOR AGRICULTURE

This brings me to the matter of the protection of the family size farm owner, and I am going to say now that I am about 101 percent in favor of the Jones-Wheeler farm-credit bill, because what it will mean in the net result is 3-percent interest to the farmers, and there is not any reason in the world why they should not have that. When private banking institutions loan money to farmers they simply monetize the farmer's property and loan against his mortgage. But when he borrows through a Government credit agency that agency must not, according to the way we do things now, perform the credit-creating function which a private bank does. It must first sell bonds to raise the credit and pay interest on the bonds, and then lend to the farmer at a rate high enough to cover that interest. I cannot possibly understand why a Government credit agency should not do exactly what the private banks do—namely, monetize the farmer's property and loan directly against his mortgage. Were that done, with no interest on bonds to pay, we could get the interest even below 3 percent. However, this bill does not even propose that. It proposes sale of guaranteed Government bonds to raise the credit and the lending of money to farmers at 3 or 3½ percent, with opportunity, as I understand it, of refinancing present outstanding debts on this new basis. By increasing the security and lowering the debt burden of the farmers, this measure will contribute much to the solution of unemployment.

I think one of the best things that has been done recently is the blue-stamp plan of the Surplus Commodity Corporation. It means enabling people who need food to consume the food the farmers have already produced. It ought to be expanded, though, until it reaches the whole country, and if you wonder how it is going to be paid for, I would just like to suggest that we know one thing for sure. It would improve economic conditions in this country. We know if we could have the pre-depression price level for basic agricultural commodities, things would be better, the farmer's buying power would be increased, and the demand for goods thus created would help reduce city unemployment. And we know that always in the past when we put an additional volume of money into circulation, the prices of these basic commodities rose. Here are goods already produced, here are hungry people ready to consume them. Why can we not use the power of the Government to create credit in order to enable people to consume those goods until such time as the price level for those basic commodities has been restored? The answer is, of course, that we can, if only we would; and the results can be predicted by a glance at history. They would be good results.

FIFTH. MONETARY REFORM

So I say our central task, after all, is a monetary task, for our whole life depends today on money. None of our people produce what they are going to consume themselves. We live by exchanging products and services with one another, and if this exchange does not take place, we are in trouble, and, it is also within our power by increasing the volume of money in circulation to enable our people to consume very

nearly all our farm products. That is our main problem—to enable the American people to consume as they produce.

I believe human liberty will either be saved or lost here on the floor of the House of Representatives and on the floor of the Senate. I believe this because America of all the nations of the earth still has an excellent chance of demonstrating that free parliamentary government and a free economic system are capable of providing to the people of a great Nation opportunity to earn a living, security against the mischances of life, and substantial freedom for the spirits of men. If that is done democracy and freedom will live and will overcome all threats and dangers. If it is not done they may suffer temporary eclipse. I have no fear or concern for the ultimate outcome of the struggle between freedom and oppression. Our great grandchildren will gain back inevitably what we may lose for our children and grandchildren. But I am concerned not only for the distant future but the immediate future as well.

The issue is in our hands and we shall not meet it unless we act both wisely, boldly, and with our concern focused on the general welfare of all the Nation. I am convinced that there is now before the House certain legislation which, if enacted, would go so far toward putting our people back to work and stimulating our production that instead of dark forebodings of disaster we would hear from the lips of Americans a new and buoyant hopefulness.

Let no one mistake the temper of the people. They are not looking for a conservative program. All they know is that they are still unemployed, still in distress, still without decent provision for retirement in old age. They may vote for a change in 1940. If they do, it will not be because the Republican Party promises them deflation and the sort of thing about which Republican members speak here in the House. It will be because Republican speakers make the same approach they made in 1938—because they promise more indeed than the Democrats do. If a change comes in 1940 it will be just because the people want a change. But I fear they will get a different kind of change from the one they want. The American people want a solution to this economic problem. And they will go right on kicking people out of office until they get it. So far I fail to find one single suggestion from the Republican ranks that offers hope of that solution. And so far I think my own party has also failed to strike effectively at the root of the difficulty, though one basic fact has been demonstrated by its work; that the task of government in this day is to so increase the consuming power of the people as a whole that it will call forth inevitably an increase in productive activity and sustain it thereafter.

The economic system under which we now operate has never provided work or decent incomes to the people except during periods of rising prices, deflation of outstanding debts, and net additions to buying power from somewhere. To suggest that merely to repeal New Deal laws, balance the Budget, and reduce taxes will put the American people back to work is the very height of folly, deception, and lack of historical perspective.

To suggest that more capital goods production is the answer is like suggesting that without any increase in the market for his corn, a farmer can solve his problem by buying more corn planters or constructing a larger barn. And what happens to inventories if we have a capital-goods expansion and neglect the all-important matter of consumer buying power?

For many years this was done by westward expansion. People who today would go on W. P. A. or some similar program were given land, and, moreover, there was a constant increase in the volume of new borrowing—that is, new-money creation by the banks. This was made possible by the fact that finance could and did constantly monetize or loan against anticipated increases in the value of American property. Property values meanwhile were constantly being increased, especially in new western cities, and so the real burden of debt was correspondingly being reduced.

When the period of expansion was over, there came in the early twentieth century a period which might have been

exactly like the period in which we now live but for the World War. The World War meant, of course, that we did get money for the destructive work of war, even though we would have heard howls of impending disaster if we had gotten it to pay to our people for constructive work in their own country. We paid out several billions dollars in one way or another during the war and there was prosperity. We didn't know how to put people to work to increase the American standard of living. But we did know how to take our best workers out of production and send them to war and then to keep the rest of the people at work at high wages trying to make up for the destruction of the war. Consuming power was deliberately and artificially increased relative to production and there was prosperity. All these facts about the war period make me wonder whether we will one day once again condemn our sons to a hero's death because we, their fathers, lacked the courage to establish a system of decent retirement pensions in this country or to lay patriotic hands on the financial monopoly which now claims the exclusive right to monetize the property, growth, and resourcefulness of the American people and teaches this great Nation that it must always incur a staggering increase in debt in order to enjoy a short-lived prosperity.

The analysis of our economic ills which has underlain the policies of the New Deal has been briefly this: The depression was caused by failure of the buying power of the people to keep up with the inventories piled up by an evermore efficient productive machine. Therefore, by a program of public works, loans and grants to farmers, and a variety of other methods the attempt was made to increase consumer demand which after all is and must always be the one and only mainspring of production.

The New Deal analysis is fundamentally sound. As long as the New Deal followed it we had improvement. Improvement stopped when in 1937 the opposite policy of retrenchment was temporarily adopted.

But there is no essential difference between what the New Deal has tried to do and what has been done before in every prosperous period in American history, except that under the New Deal a sincere attempt has been made to protect the poor, the farmers, and the wage earners of America from want.

The central fact is, however, that only when somehow a net addition to purchasing power over and above that paid out currently by industry was being put in circulation has there been prosperity.

And after the war was over what happened? With the cruel, deliberate destruction of our money supply by the simple and easy process of credit contraction which the Federal Reserve Board carried through in 1920 the prosperity of American agriculture collapsed. It has never come back since. But a new, ingenious idea was evolved to save industry, which had the ear of Government. It was the sale of foreign bonds in the United States. Beside that operation, which, added to unpaid war debts, accounted for an outright gift of some \$22,000,000,000 of buying power from American investors to foreign buyers of American goods, our current purchases of gold and silver are comparatively insignificant. The thing held together until 1929, when it began to become apparent that the bonds were no good and the foreign debts would not be paid. Then the bubble burst, not because the debts were not being paid but because the method of increasing buying power had become discredited. The central idea of the New Deal is not new. It uses wages instead of free land; and it pays our own people for work to increase consumers' buying power at home instead of giving credits to foreign countries for them, not to pay back.

And why has it been necessary to artificially increase the buying power of consumers every single time that we have succeeded in achieving anything like a prosperous condition? Here, I think, is the reason. Look at these figures for the year 1929.

National income produced.....	\$81,128,000,000
National income paid out.....	78,556,000,000
All savings, individual and corporate.....	20,000,000,000
Gross capital formation.....	11,489,000,000

Flow of producers' durable commodities plus business construction.

In this year there were \$81,000,000,000 of goods and services produced. Somehow they had to be sold or depression would result. But in order for this to happen there would have had to be exactly \$81,000,000,000 spent by consumers for these goods and services. Now \$78,000,000,000 was paid out by industry in that year, almost enough to match its output of goods and services. But of that \$78,000,000,000, \$29,000,000,000 was saved and not spent. Eleven billion dollars of it was invested, which means it was turned into new machinery of production the value of which was absolutely dependent on there being a future market for an increased volume of goods. The other \$9,000,000,000 remained idle and inactive. And the depression deepened upon the Nation.

It did so for lack of two essential adjustments in the economic system. The first is an adjustment so that as a portion of current consuming power is diverted into new-capital formation—or new-production goods—there will be brought into circulation debt-free by Government a volume of new consuming power sufficient to balance that proportion of investment which does not go to wages of one kind or another but is frozen into the value of the finished new equipment itself. The second adjustment is more complicated and probably never can be perfect. It is to reduce the volume of savings to the point where they will not exceed the amount required for new profitable investment. I have already spoken of this.

Lacking these adjustments the only way under our present monetary system that the Nation can have enough buying power to balance its production and keep inventories from engulfing every business in the country in bankruptcy is if somebody borrows the additional required buying power into circulation. Unless you are going to let the Nation collapse completely Government must do this borrowing unless somebody else does. This explains the New Deal's deficits. It explains its borrowing. It explains them completely.

And it also proves to me, at least, that we have got to change the debt-money system under which we are now trying to operate our national economy. That debt-money system spells death by strangulation for every value that you and I hold dear. It has got to go.

To prove this let us assume that all the savings of 1929 or any other year were promptly invested. Let me read to you one paragraph from Joan Robinson's profound work *Introduction to the Theory of Employment*.

The tragedy of investment is that (unless stimulants are applied) it can never remain at a constant level. For if the rate of investment one year is the same as the last, then, generally speaking, the level of employment and incomes and therefore the level of demand for goods will be the same in the second year as in the first. But all the time capital is accumulating and in the second year there is a larger amount of equipment available to meet the same demand for commodities. The rate of profit consequently falls off, future prospects are dimmed by the decline in present receipts, and in the third year new investment appears less attractive to entrepreneurs than in the second.

New investment implies that somehow the community has made a corresponding sacrifice of current consumption. But such new productive wealth is the soundest base for money in the world. And unless that increase in productive capacity is matched by a corresponding net increase in the volume of actively circulating money in the hands of consumers, the investment itself will spell not economic health and growth, but economic death and the destruction of the very values the investment itself is supposed to represent. The only ultimate purpose of investment is to produce goods which somewhere along the line must be sold to a consumer. Without that consumer—indeed, without him plus money in his pocket no investment is sound.

Government in this age must be free to capitalize the economic growth of the Nation—that is, free to create money and pay old-age pensions with it or wages for public works with it in sufficient quantity to keep consuming power equal to productive power in an expanding economy. This

is not inflation, it is only common sense. And this is the reform that H. R. 4931 would accomplish and it is why I believe that bill is one of the three or four most essential and urgent matters before this Congress at this time.

I want to quote one or two things that I think will be of interest to you. First I quote from an open letter of the Secretary of the Treasury of the United States which he sent to Senator WAGNER, chairman of the Committee on Banking and Currency of the Senate. He says in that letter:

A factor that more than any other will increase the confidence of businessmen in the future is the assurance that business will improve; a development contributing substantially to that expectation would be the prospect of a stable or moderately rising price level. What businessmen fear with regard to the dollar is not that the price level in the United States may remain stable or rise but that the price level in the United States may fall, i. e., that the purchasing power of the dollar may rise.

So much for my discussion of a program in five fields of our national economic life that would, in my humble judgment, go a very long way toward solving our unemployment problem. I have not gone into the details of what a scientific monetary system should be like, for I have done that heretofore on more than one occasion and shall no doubt do it again many times in the future. I have given the governing principles. Now, before I am through I want to talk about our immediate situation and a measure that I believe fits that situation too perfectly to be overlooked or neglected.

A BILL WHICH COULD AND SHOULD BE PASSED AT ONCE AND WHICH WOULD START OUR ECONOMY ON AN UPWARD CLIMB WITHOUT A DOLLAR'S INCREASE IN PUBLIC DEBT

We have today in the Treasury a vast store of monetary resources which are virtually hoarded there. I have already spoken about this in the House. Without giving the impression that it will give a complete answer to our problem or that it will establish the kind of monetary system I believe is necessary in this day of vast productive capacity, I want to explain, if I have the time, a little bit about a bill that I have prepared. This bill proposes to take a billion and a half dollars of the silver seignorage that now lies idle in the Treasury and a billion and a half dollars of the gold credits that are in our stabilization fund and use those \$3,000,000,000 as a base for loans at 1-percent interest of the following three types: First, to revive the Public Works Administration by putting \$1,000,000,000 at its disposal for making loans at 1-percent interest to public bodies for public works; second, \$1,000,000,000 to the Federal Housing Administration to enable them to loan 45 percent of the cost of a \$4,000 house at 1-percent interest to a man who has already borrowed another 45 percent under the regular guaranteed-loan plan of the F. H. A. Under the terms of the bill, F. H. A. is also empowered to loan up to \$1,000 to owners of homes for their modernization or repair—these loans also to be at 1-percent interest.

The other \$1,000,000,000 to the Department of Agriculture, \$500,000,000 of it to be used under the Bankhead-Jones Farm Tenant Act, in order to put that additional credit in the Department of Agriculture to enable farm tenants to become farm owners. One hundred million dollars of this money is for loans to people who used to be farm people but who have been driven off their farms and are now migrants to enable them to settle on reclamation projects, because they need about \$2,000 per family to enable them to do it. The remaining \$400,000,000 is to be loaned to farmers for improvement of the soil, buildings, or equipment of their own farms. All these loans are to be made at 1-percent interest.

What does it mean? It means that instead of basing the credit of this country on a bond that we sell to a bank for the figures the bank writes on its books, and upon which we must pay interest, we use some of the monetary resources now lying idle in the Treasury of the United States. When I was a boy I was told that if you had 5-percent gold reserve behind money it was sound, but today you are not taught that. You are told that you must not touch the gold or the silver, because it would mean inflation. What inflation means is

that you create money faster than your productive capacity can keep up with it, and we are not in that situation. We are in a situation where we should be putting enough money into the hands of the people for purchasing power to keep up with the production actually taking place.

Mr. MURDOCK of Arizona. Mr. Speaker, will the gentleman yield?

Mr. VOORHIS of California. Yes.

Mr. MURDOCK of Arizona. Would not the gentleman's proposal put back into the hands of Congress the power the Constitution gives us to coin money and regulate the value thereof?

Mr. VOORHIS of California. For a moment. We would be asserting that we have the right to make use of these monetary resources, but we would not have established a system or done the job with it that I think needs to be done, such as to purchase the 12 Federal Reserve banks and make once and for all the decision that the bank of issue of the United States shall be forever a bank under the control of Congress and belonging exclusively to the whole American people.

Mr. MURDOCK of Arizona. In other words, the gentleman's proposal is a first step and not the only or last step by any means.

Mr. VOORHIS of California. That is right. It would not even be a first step. It would be the kind of measure every one knows we need to expand production. It would be a means of putting out additional money into the hands of the very people who will best use it, but without increasing the public debt one single dime. Those funds would come back again. This bill would revive the Public Works Administration and it would extend our attack on farm tenancy. It would make more vigorous the prosecution of our program for soil conservation, and would stimulate the construction of individual homes for families among our people at a lower rate of interest.

Mr. MURDOCK of Arizona. I agree with the gentleman on the wisdom of a wider use of both gold and silver in our monetary system. I will not interrupt further, but I would like to add, when time permits, a plan for the use of silver seigniorage, which is a part of the gentleman's scheme. Silver seigniorage since July 1, 1939, when we remonetized silver, is in a class by itself. I would like to see it used in the very worthy way to stimulate the whole mining industry.

Mr. VOORHIS of California. I may say that personally I am not in favor of going back on any gold standard. I merely point out that to base our credit on this metal which we have bought and paid for is far more sensible than is the method of buying privately created bank credit by the sale of bonds.

[Here the gavel fell.]

Mr. SCHAFER of Wisconsin. Mr. Speaker, I ask unanimous consent that the gentleman's time may be extended because I want to ask him a question.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. SCHAFER of Wisconsin. Will the gentleman yield?

Mr. VOORHIS of California. I yield.

Mr. SCHAFER of Wisconsin. The gentleman indicated that in order to solve our difficulties we had to increase the purchasing power of the American people and have to change our monetary system. Do you not believe, from your study of the monetary system and purchasing power, that we should stop playing Santa Claus, stop purchasing billions of dollars of foreign gold at \$35 an ounce, and putting purchasing power in the hands of foreign nations to carry on wars, and taking that purchasing power out of the hands of our American people?

Mr. VOORHIS of California. Of course that is a big question to ask me when I only have 5 minutes left. I would like to make a speech for 20 minutes on that gold question. We are not taking the purchasing power out of the hands of the American people. We are doing exactly as we did in the twenties, when we made loans that were not repaid. We are making it possible to export more goods

and services than we import, and unless we make constructive use of that gold in some monetary fashion, we do not really get paid for the goods we ship away.

Mr. SCHAFER of Wisconsin. Exactly, but when Americans were forced to turn in their gold for \$20.67 an ounce or go to the jailhouse for 5 years, and then we imported from foreigners almost \$12,000,000,000 of gold and paid them \$35 an ounce, insofar as improving our economic situation and putting purchasing power in the hands of the people, it is like the old witch doctor trying to cure an active tuberculosis hemorrhage by taking a butcher knife and tapping some more blood out of the patient who has the hemorrhage.

Mr. VOORHIS of California. This problem of gold is a thorny one. It is not easy to answer as long as we are in the position that we find ourselves in today. Men can make pretty speeches about what the trouble is, but I have not yet found anybody who can tell me what the answer is.

The SPEAKER pro tempore. The time of the gentleman from California has again expired.

EXTENSION OF REMARKS

Mr. VOORHIS of California. I ask unanimous consent to extend my remarks in the Appendix and include therein a short bibliography of pamphlets and books on the unemployment problem.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and to include therein a very splendid address by a high-school girl in my district on citizenship.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

THE HATCH BILL

Mr. HILL. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. HILL. Mr. Speaker, I rise to a rather unwelcome and also unpopular duty. I listened to the speech by the gentleman from Texas [Mr. SUMNERS] this afternoon. I happen to be one of those who signed that petition on the Speaker's desk, and I, for one, resent from the bottom of my heart the attack that he made on those of us who had the courage to sign that petition. I think we, as Members of this House, have the right, if committees refuse to report bills to the floor of the House, at least bills that are of the importance of the Hatch bill and other bills that I might mention, we have the right, and it is our duty as Members of this House to sign these petitions and bring these measures out on the floor. [Applause.]

I just wonder why sometimes we should listen to the lectures of some of these older Members. Who is this gentleman who lectured us this afternoon? He came from a State where in 1936 only 26 percent of the adult voters in that State voted—

Mr. RAYBURN. Mr. Speaker, will the gentleman yield?

Mr. HILL. I have the figures here.

Mr. RAYBURN. I know; but there is some explanation necessary there.

Mr. HILL. I do not like to have the gentleman take up my time.

Mr. RAYBURN. I am going to stay with you. You can have all the time you want. I must make two unanimous-consent requests before adjournment.

Mr. HILL. Very well.

Mr. RAYBURN. If the gentleman will look at the primaries, he will see that probably a million people voted. It is a 1-party State, and people do not go to the general election. I had a Republican opponent the first time I ran for office, and he got 248 votes in 5 counties. There is no restriction on anybody voting in our State on account of race, color, previous condition of servitude, or anything else.

Mr. GEYER of California. How about the poll tax?

Mr. RALBURN. Anybody in our State, it matters not where he came from or where he is going, if he is a citizen, can vote on the same grounds that I can.

Mr. GEYER of California. If he has got the money.

Mr. HILL. The gentleman from New Mexico [Mr. DEMPSEY] proposing the Hatch bill in the House comes from a State where 94 percent of the adult population vote, yet we have to sit here and be lectured for doing what we feel is our duty.

Who is the gentleman from Texas? He is a genial sort of man, but he is the chairman of the Judiciary Committee. Only 2 years ago without cause, because no measure was before the House, he got up on the floor of the House and said—read his speech—that he as chairman of that Committee on the Judiciary would not allow the Court bill to come on the floor of the House. He talks about dictatorship, and I ask what is more the act of dictatorship than for the chairman of that great committee to say to us on the floor of the House: "You must not consider this bill, you must not record your vote on this bill." Talk about dictatorship. I call that dictatorship. Now, he as one of the members of this committee, says that we must not have this Hatch bill upon the floor of the House to discuss its merits. He discussed the merits of the bill rather than the right of Members of this House to bring upon the floor bills that are of such importance that they may be discussed and voted on.

Mr. RAYBURN. I think my friend the gentleman from Washington will find if he reads the remarks of the gentleman from Texas [Mr. SUMNERS] that the gentleman from Texas did not make an attack upon the men who signed that petition. I think he will find that is true.

Mr. HILL. If he revises his statement, probably it will not be in there.

Mr. RAYBURN. Oh, no.

Mr. HILL. But as I sat here and listened to him he quoted the Bible. I, too, can quote from the Bible. The Bible says that the man who calleth his brother a fool is in danger of hell fire. It seems to me that he charged us as being foolish and otherwise in asking that the Hatch bill be brought up for discussion. Others who were here when he spoke, I am sure, will substantiate this statement.

[Here the gavel fell.]

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that the gentleman may have sufficient time in which to complete his statement.

Mr. HILL. Mr. Speaker, I ask unanimous consent to proceed for 2 additional minutes.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. HILL. I read here a headline in the Washington Post that President Roosevelt has asked for the passage of the Hatch bill. Would the gentleman from Texas [Mr. SUMNERS] include President Roosevelt as one opposed to democracy and not sufficiently intelligent to legislate or suggest good legislation?

Now, must we oppose the Hatch bill because the chairman of the Judiciary Committee, the fount of wisdom at whose feet we must sit down to learn, says we cannot express ourselves? May we not have ideas of our own, and do what we want to do? For my part, I am sick and tired of that kind of procedure. I believe that the Members of the House have a right to their own views without being criticized and ridiculed.

Mr. SCHAFER of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. HILL. I yield.

Mr. SCHAFER of Wisconsin. The signers of the petition did not take any position on the Hatch bill but merely asked for its consideration by the House. After discussion, the defects which were pointed out by the gentleman from Texas, the chairman of the Judiciary Committee, could be cured by amendment.

I am glad that the President favors the Hatch bill and I hope he supports the amendment which I intend to offer to prohibit President Roosevelt and Postmaster General Farley from shaking down the economic royalists to raise

a \$1,000,000 campaign fund by the sale of autographed books for \$250 each in violation of the criminal laws of the several States and the Nation.

Mr. MONRONEY. Mr. Speaker, will the gentleman yield?

Mr. HILL. I yield.

Mr. MONRONEY. It was my pleasure to have signed this so-called petition to bring out the Hatch bill. During the entire course of the remarks by the gentleman from Texas I did not hear one disparaging word against a Member of this House who had signed that petition. The gentleman's remarks were addressed in criticism of the abuse the press had heaped upon the committee. I do not believe the gentleman from Texas was any more out of order in making his criticism of the bill than the gentleman from Washington is in making his criticism of the gentleman from Texas.

Mr. HILL. The gentleman is entitled to his viewpoint. I certainly cannot agree with him. We were ridiculed and told that we ought to be ashamed of ourselves. The rules of the House give us the right to sign a petition to bring that Hatch bill out for consideration on the floor of the House. [Applause.]

[Here the gavel fell.]

PERMISSION TO ADDRESS THE HOUSE

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas [Mr. RAYBURN]?

There was no objection.

Mr. RAYBURN. Mr. Speaker, the gentleman from Texas [Mr. SUMNERS], and I listened to every word he said, and in my opinion he did not reflect in anywise upon any signer of this petition. What he was saying was in criticism of newspaper writers or editorial writers that this was the roll of honor; and he made the clear statement that he thought these newspapers intended to convey the impression that those Members who did not sign the petition were not going on the roll of honor. I think the gentleman from Washington will read in vain trying to find where the gentleman from Texas criticized anyone for signing that petition.

Mr. HILL. Will the gentleman yield?

Mr. RAYBURN. I yield to the gentleman from Washington.

Mr. HILL. I think my hearing is fairly good. He ridiculed us time and again and said we ought to be ashamed to have signed the Hatch bill petition.

Mr. RAYBURN. That is not my understanding of what the gentleman said, but I am not going to enter into any controversy about that.

Mr. HILL. Well, I think my hearing is not defective.

Mr. RAYBURN. I did not say anything about the gentleman's hearing being defective.

Mr. Speaker, if the committees of Congress reported at this session of Congress every bill that has been introduced, we would never get through. When Members are interested in their bill they say that regardless of the feelings of the committee members the committee should report the bill. I imagine that if the 44 committees of the House were to report at this session of Congress all the bills that have been introduced, without another bill being introduced, the House of Representatives would be in continuous session all the way from 7 to 10 years to pass them. Committees do have functions, and they ought to perform those functions, and they ought to determine through independent judgment whether or not a bill should be reported. I think my friend from Washington, who is always fair, who is always intelligent, will find that he was a little bit mistaken about the criticism of the gentleman from Texas [Mr. SUMNERS].

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that the gentleman from North Carolina [Mr. WARREN] may have permission to revise and extend his own remarks in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas [Mr. RAYBURN]?

There was no objection.

CALENDAR WEDNESDAY

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that business in order for tomorrow, Calendar Wednesday, may be dispensed with.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. BOLAND. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania [Mr. BOLAND]?

There was no objection.

Mr. BOLAND. Mr. Speaker, I listened quite attentively to the gentleman from Washington when he said that he and other Members of Congress had a perfect right to sign the petition without being dictated to in any way. He said that dictator methods of the worst kind predominated with the chairman of the Committee on the Judiciary.

I am wondering if he and the proponents of the Hatch bill realize that they are dictating to the employees of the Government and of States that participate either partly or in whole in Federal funds, their actions politically? I wonder if those Members realize for 1 minute that under the Hatch bill the Congress does delegate its powers to a commission, the Civil Service Commission, to define what pernicious political activity is? Congress gives away its power to an appointive body and that Commission defines, if you please, what pernicious political activity is.

Because of this situation, Mr. Speaker, I asked permission to address the House for 1 minute, and I want to state an experience I had a week ago last Tuesday in the Pennsylvania primaries. I ran into the situation that many of these people who are working on the W. P. A. did not come to the polls to vote because they were under the impression that if anyone at the polls talked to them about the candidate they would, in turn, lose their jobs. Now, we know that is not true, but you try to tell those people that, as we tried to do. They were afraid to vote because of the fear of being accused of political activities. They were afraid they would lose their jobs.

For my part I refused to accept the theory that the Civil Service Commission should be delegated the power to define what pernicious political activity is.

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. GEYER of California. Mr. Speaker, I ask unanimous consent to have printed in the Appendix of the RECORD something from the Evening Post of New York.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California [Mr. GEYER]?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. GEYER of California. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California [Mr. GEYER]?

There was no objection.

Mr. GEYER of California. Mr. Speaker, I wish to pay a tribute to nine Members of this House. As we all know, there is a section of the Nation embracing eight States where 64 percent of the white population and 94 percent of the colored are unable to vote. These 8 States send 78 Representatives to this body. It has often been said in this House that the vote of a man should not be questioned, as he must represent the majority of those who vote in his district or he will not remain long in political life. That I call good politics. Last week when we voted on the unprecedented rule to make in order the amendments to the wage-hour law we again ex-

pected our membership to vote as their voters at home desired them to vote. Since most of my voters work for a living, I naturally voted against the rule and thus against any changes in the act. That was good politics. You who come from strictly farming communities in many cases voted for the rule, for you felt the farmers, who constitute the majority of your voters, were not interested in the bill. That, too, was good politics. Most of the Representatives from the 8 poll-tax States voted for the rule, for those who vote in their States are the upper 10 percent and are largely employers of labor or they are controlled in their votes by having someone else pay the poll tax for them. This, again, was good politics. At least it must be considered so, for they have been casting this type of vote for many years and they lead in seniority in this House. From this poll-tax ridden section of the Nation, where democracy is unknown and those who toil are at the mercy of an oligarchy made up of privileged people, comes an example not of good politics but of good statesmanship. Nine men, hearing the cries of distress from their districts and believing in humanitarian principles, voted against the rule making in order the consideration of amendments to the wage-hour law.

This is so unusual coming from that section, for in the attack on every social measure these poll taxers seem always to lead the opposition. Of course, the Republican side of the House is only too glad to assist in the killing of any New Deal measure. That, too, is good politics for them. Let us see how it works. If this House desires to practice economy at the expense of the unemployed, it goes to Virginia for its high executioner of the W. P. A. It is safe for one from Virginia to kick the unemployed in the face, for those on relief are unable to pay the amount of tax and they have no recourse at the polls. If we want one to conduct a smear of the National Relations Board with a so-called investigation, we again go into the "cradle of democracy," the same State that furnished a long line of our first Presidents. Yes; the poll tax makes it safe to attack labor in Virginia. In the 1936 Presidential election Virginia voted but 25 percent of her adult population, while in comparison her neighbor, West Virginia, sent 92 percent to the polls. If we desire to scuttle the Fair Labor Standards Act, we look about for a leader, and immediately Georgia furnishes the man of the hour. His district sends him to the National Congress with less than 6,000 votes. Yes; it is safe to do that if you come from Georgia, for how can the one who works for a pittance pay poll taxes for every year since he was 21 years of age in order to vote? But 19 percent of the adult population of Georgia voted in 1936. Then there is the slum-clearance program. Where will a man be found to take the floor and eloquently plea, as he pounds the table, for votes to kill the program whereby the miserable slum dwellers may get out of their rat-infested firetraps? Another poll taxer stands ready to suffer political martyrdom for the cause of those who will, perhaps, lose profits if unable to pile several families in a space too small for one. Tennessee, "the Volunteer State," naturally produces the man. It is safe to ignore those who live in the slums in Tennessee, for they cannot pay a poll tax and thus become real citizens. Only 33 percent vote in Tennessee, while nearby Missouri, without the tax, has a voting percentage of 80. A check of those offering amendments weakening the Wage and Hour Act while under consideration shows that of all amendments offered by Democrats, by far the vast majority came from these eight poll-tax States, the very section where the law is most needed. Yet, in the face of these facts, there are those who would tell us that the poll-tax issue is a local issue. That those in other sections are meddling. My people are interested in greater social gains, and when these gains are always slowed up because it is good politics to consider only those in the higher-income brackets in certain States, then I say it is a matter of concern not only for those in my Seventeenth California District but for all people of the Nation. Soon we will have the bill before us that seeks to amend the Wagner Labor Act. The Democrats who will be most active in that battle, I

predict, will hail from these same eight States, and the Republicans will use the usual strategy of allowing the Democrats to carry the ball. I maintain until the reconstruction of these eight States is completed and the majority of these citizens given their American birthrights of voting for their elected officials, progress for the submerged third will be very slow. I recommend to you the Geyer anti-poll-tax bill. In the meantime let us pay high honors to the nine statesmen from these districts.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H. J. Res. 258. Joint resolution to amend section 8 (f) of the Soil Conservation and Domestic Allotment Act, as amended.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 1542. An act to authorize the Director of the Geological Survey, under the general supervision of the Secretary of the Interior, to acquire certain collections for the United States;

S. 1780. An act to authorize the Secretary of the Interior to acquire property for the Antietam Battlefield site in the State of Maryland, and for other purposes;

S. 3098. An act authorizing the Secretary of the Navy to accept on behalf of the United States a bequest of certain personal property of the late Dudley F. Wolfe;

S. 3198. An act to provide allowances for uniforms and equipment for certain officers of the Officers' Reserve Corps of the Army;

S. 3262. An act to authorize the Secretary of the Interior to grant a right-of-way to the Highway Commission of the State of Montana;

S. 3470. An act to amend the National Defense Act of June 3, 1916, as amended, to provide for enlistments in the Army of the United States in time of war, or other emergency declared by Congress, and for other purposes;

S. 3633. An act to amend section 24e, National Defense Act, as amended, so as to add an alternative requirement for appointment in the Dental Corps;

S. 3654. An act to amend section 10, National Defense Act, as amended, with relation to the maximum authorized enlisted strength of the Medical Department of the Regular Army;

S. 3661. An act to amend the Perishable Agricultural Commodities Act, 1930, as amended, and for other purposes; and

S. 3675. An act to authorize the establishment of boundary lines for the Wilmington National Cemetery, N. C.

JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a joint resolution of the House of the following title:

H. J. Res. 258. Joint resolution to amend section 8 (f) of the Soil Conservation and Domestic Allotment Act, as amended.

ADJOURNMENT

Mr. RAYBURN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 50 minutes p. m.) the House adjourned until tomorrow, Wednesday, May 8, 1940, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of a subcommittee of the Committee on Interstate and Foreign Commerce, on Thursday, May 9, 1940, at 10 a. m. Business to be considered: Hearings on H. R. 7466 and H. R. 8242.

There will be a meeting of the Committee on Interstate and Foreign Commerce on Monday, May 13, 1940, at 10 a. m.

Business to be considered: To begin hearings on S. 280 and H. R. 145—motion pictures. All statements favoring

the bill will be heard first. All statements opposing the bill will follow.

COMMITTEE ON PATENTS

There will be a meeting of the Committee on Patents on Thursday, May 9, 1940, at 10:30 a. m., for the consideration of H. R. 8441, H. R. 8442, and H. R. 8444, all of which relate to amendments to the patent laws.

There will be a meeting of the Committee on Patents on Thursday, May 16, 1940, at 10:30 a. m., for the consideration of H. R. 9384, H. R. 9386, and H. R. 9388, all of which relate to amendments to the patent laws.

COMMITTEE ON IMMIGRATION AND NATURALIZATION

There will be meetings of the Committee on Immigration and Naturalization on Wednesday, May 8, 1940, at 10 a. m., for the consideration of H. R. 8310, to deport Communists.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold the following hearings at 10 a. m. on the dates specified: Wednesday, May 8, 1940:

H. R. 9581, to amend the Merchant Marine Act 1936, as amended. (This bill has to do with tax exemption of a construction reserve fund to aid in the construction of new vessels. It is an improved form of H. R. 5883.)

Tuesday, May 14, 1940:

H. R. 9553, to amend and clarify certain acts pertaining to the Coast Guard, and for other purposes.

Thursday, May 16, 1940:

H. R. 9477, to apply laws covering steam vessels to certain passenger-carrying vessels.

COMMITTEE ON MINES AND MINING

The subcommittee on Mines and Mining that was appointed to consider S. 2420 will hold hearings beginning Thursday, May 16, 1940, at 10 a. m., in the committee rooms in the New House Office Building.

EXECUTIVE COMMUNICATIONS, ETC.

1596. Under clause 2 of rule XXIV a letter from the Chairman of the Civil Aeronautics Authority, transmitting draft of a proposed bill to provide for the administration of the Washington National Airport, and for other purposes, was taken from the Speaker's table and referred to the Committee on Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. CUMMINGS: Committee on Agriculture. H. R. 9654. A bill to extend, for an additional year, the provisions of the Sugar Act of 1937 and the taxes with respect to sugar; without amendment (Rept. No. 2080). Referred to the Committee of the Whole House on the state of the Union.

Mr. ROBINSON of Utah: Committee on the Public Lands. H. R. 8512. A bill to provide for the acquisition of additional lands for the national military parks, national historical parks, national battlefield parks, and battlefield sites administered by the National Park Service of the Department of the Interior, and for other purposes; with amendment (Rept. No. 2088). Referred to the Committee of the Whole House on the state of the Union.

Mr. O'CONNOR: Committee on the Public Lands. H. R. 9087. A bill to remove the time limit for cooperation between the Bureau of Reclamation and the Farm Security Administration in the development of farm units on public lands under Federal reclamation projects; without amendment (Rept. No. 2089). Referred to the Committee of the Whole House on the state of the Union.

Mr. DeROUEN: Committee on the Public Lands. S. 3676. An act to withdraw certain portions of land within the Hawaii National Park and to transfer the same to the jurisdiction and control of the Secretary of War for military purposes; with amendment (Rept. No. 2090). Referred to the Committee of the Whole House on the state of the Union.

Mr. THOMASON: Committee on Military Affairs. S. 255. An act authorizing the Secretary of War to convey to the Port of Cascade Locks, Oreg., certain lands for municipal purposes; with amendment (Rept. No. 2093). Referred to the Committee of the Whole House on the state of the Union.

Mr. THOMASON: Committee on Military Affairs. S. 2122. An act to authorize the sale of the Wilmot National Guard target range, Arizona; without amendment (Rept. No. 2094). Referred to the Committee of the Whole House on the state of the Union.

Mr. THOMASON: Committee on Military Affairs. H. R. 8258. A bill for the marking, care, and maintenance of the Mount of Victory plot in the Cypress Hills Cemetery, in Brooklyn, N. Y.; with amendment (Rept. No. 2095). Referred to the Committee of the Whole House on the state of the Union.

Mr. THOMASON: Committee on Military Affairs. H. R. 5478. A bill to provide for the maintenance, at public expense, of two mounts for officers of the Regular Army who are designated as mounted officers; without amendment (Rept. No. 2096). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLOOM: Committee on Foreign Affairs. H. R. 9595. A bill to postpone for 1 year the date of the transmission to Congress by the United States Coronado Exposition Commission of a statement of its expenditures; without amendment (Rept. No. 2100). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLOOM: Committee on Foreign Affairs. House Joint Resolution 486. Joint resolution authorizing the acceptance of the invitation of the Government of Italy to participate in the Rome Universal Exhibition to be held at Rome, Italy, in 1942; without amendment (Rept. No. 2101). Referred to the Committee of the Whole House on the state of the Union.

Mr. DARDEN of Virginia: Committee on Naval Affairs. H. R. 9636. A bill authorizing the conveyance to the Commonwealth of Virginia of a portion of the naval reservation known as Naval Proving Ground, Dahlgren, Va.; without amendment (Rept. No. 2102). Referred to the Committee of the Whole House on the state of the Union.

Mr. WHITTINGTON: Committee on Flood Control. H. R. 9640. A bill authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes; without amendment (Rept. No. 2103). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mrs. O'DAY: Committee on Immigration and Naturalization. Supplemental report (pt. II) to accompany H. R. 8226. A bill for the relief of David Morgenstern (Rept. No. 1717). Referred to the Committee of the Whole House.

Mrs. O'DAY: Committee on Immigration and Naturalization. Supplemental report (pt. II) to accompany H. R. 8379. A bill for the relief of Izaak Szaja Licht (Rept. No. 1784). Referred to the Committee of the Whole House.

Mrs. O'DAY: Committee on Immigration and Naturalization. Supplemental report (pt. II) to accompany H. R. 7955. A bill for the relief of Louis Rosenstone (Rept. No. 1838). Referred to the Committee of the Whole House.

Mr. HART: Committee on War Claims. H. R. 541. A bill for the relief of John Toko; with amendment (Rept. No. 2081). Referred to the Committee of the Whole House.

Mr. HART: Committee on War Claims. H. R. 3204. A bill for the relief of Lizzie Berry; with amendment (Rept. No. 2082). Referred to the Committee of the Whole House.

Mr. POAGE: Committee on War Claims. H. R. 7573. A bill for the relief of Perkins Gins, formerly Perkins Oil Co., of Memphis, Tenn.; without amendment (Rept. No. 2083). Referred to the Committee of the Whole House.

Mr. POAGE: Committee on War Claims. S. 1635. An act for the relief of the Acme Die Casting Corporation; without amendment (Rept. No. 2084). Referred to the Committee of the Whole House.

Mr. POAGE: Committee on War Claims. S. 1638. An act for the relief of Thermal Syndicate, Ltd.; without amendment (Rept. No. 2085). Referred to the Committee of the Whole House.

Mr. POAGE: Committee on War Claims. S. 1678. An act for the relief of Charles B. Chrystal; without amendment (Rept. No. 2086). Referred to the Committee of the Whole House.

Mr. JOHN L. McMILLAN: Committee on Immigration and Naturalization. S. 3673. An act to enable Kurt Frings to enter and remain permanently in the United States; without amendment (Rept. No. 2087). Referred to the Committee of the Whole House.

Mr. WHITE of Idaho: Committee on the Public Lands. S. 163. An act directing the Secretary of the Interior to issue to Albert W. Gabbey a patent to certain lands in the State of Wyoming; without amendment (Rept. No. 2091). Referred to the Committee of the Whole House.

Mr. KRAMER: Committee on Immigration and Naturalization. H. R. 6680. A bill for the relief of Laszlo Kardos, Magdolna Kardos, and Gaby Kardos; with amendment (Rept. No. 2092). Referred to the Committee of the Whole House.

Mr. HARTER of Ohio: Committee on Military Affairs. S. 505. An act authorizing the President of the United States to summon Sam Alexander before an Army retiring board, and for other purposes; without amendment (Rept. No. 2097). Referred to the Committee of the Whole House.

Mr. HARTER of Ohio: Committee on Military Affairs. S. 2782. An act for the relief of Harold W. Kinderman; with amendment (Rept. No. 2098). Referred to the Committee of the Whole House.

Mr. EDMISTON: Committee on Military Affairs. S. 3038. An act to provide for the advancement of John L. Hines on the retired list of the Army; without amendment (Rept. No. 2099). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Pensions was discharged from the consideration of the bill (H. R. 9672) granting an increase of pension to James O. Scott, and the same was referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CLASON:

H. R. 9677. A bill to amend the Agricultural Adjustment Act of 1938; to the Committee on Agriculture.

By Mr. DAVIS:

H. R. 9678. A bill to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Memphis, Tenn.; to the Committee on Interstate and Foreign Commerce.

By Mr. JENNINGS:

H. R. 9679. A bill to amend the act of May 22, 1926 (44 Stat. 616), as amended, providing for the establishment of the Great Smoky Mountains National Park, and for other purposes; to the Committee on the Public Lands.

By Mr. McCORMACK:

H. R. 9680. A bill to repeal the prohibition against the filling of a vacancy in the office of district judge for the district of Massachusetts; to the Committee on the Judiciary.

By Mr. MILLER:

H. R. 9681. A bill to amend the Agricultural Adjustment Act of 1938; to the Committee on Agriculture.

By Mr. SCHAEFER of Illinois:

H. R. 9682. A bill to extend the times for commencing and completing the construction of a bridge across the Mississippi River between St. Louis, Mo., and Stites, Ill.; to the Committee on Interstate and Foreign Commerce.

H. R. 9683. A bill to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near a point between Morgan and Wash Streets

in the city of St. Louis, Mo., and a point opposite thereto in the city of East St. Louis, Ill.; to the Committee on Interstate and Foreign Commerce.

By Mr. TREADWAY:

H. R. 9684. A bill to amend the Agricultural Adjustment Act of 1938; to the Committee on Agriculture.

By Mr. VINSON of Georgia:

H. R. 9685. A bill to prohibit the entry into the United States of quota immigrants; to the Committee on Immigration and Naturalization.

By Mr. BYRNE of New York:

H. R. 9686. A bill to exempt certain State owned and operated carriers and employees of carriers from the provisions of the Railroad Retirement Act of 1937; to the Committee on Ways and Means.

By Mr. STEAGALL:

H. R. 9687. A bill to authorize the purchase by the Reconstruction Finance Corporation of stock of Federal home-loan banks, to amend the Reconstruction Finance Corporation Act, as amended, and for other purposes; to the Committee on Banking and Currency.

By Mr. FLAHERTY:

H. R. 9688. A bill to provide for the advancement on the retired list of any officer of the Navy or Marine Corps retired pursuant to the provisions of section 13 or 15 (e) of the act of June 23, 1938; to the Committee on Naval Affairs.

By Mr. DWORSHAK:

H. R. 9697. A bill for the relief of certain settlers in the town site of Ketchum, Idaho; to the Committee on the Public Lands.

By Mr. FERGUSON:

H. Res. 485. Resolution to instruct the Speaker to invite the Secretary of War and the Secretary of the Navy and others to provide the House with adequate and accurate information as to the present state of the national defense; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BLOOM:

H. R. 9689. A bill for the relief of James F. Mellon; to the Committee on Military Affairs.

By Mr. CARTWRIGHT:

H. R. 9690. A bill for the relief of Samuel C. Sparks; to the Committee on Naval Affairs.

By Mr. WOOD:

H. R. 9691. A bill for the relief of sundry claimants, and for other purposes; to the Committee on War Claims.

By Mr. GORE:

H. R. 9692. A bill for the relief of Abbie Pogue Hicks; to the Committee on World War Veterans' Legislation.

By Mr. GRIFFITH:

H. R. 9693. A bill for the relief of Rosaria Tumminello Cimino; to the Committee on Immigration and Naturalization.

By Mr. McCORMACK:

H. R. 9694. A bill for the relief of Joseph Mulkern, Margaret Mulkern, and Mary Mulkern; to the Committee on Immigration and Naturalization.

By Mr. OSMERS:

H. R. 9695. A bill for the relief of Alexander Edward Metz; to the Committee on Invalid Pensions.

By Mr. TENEROWICZ:

H. R. 9696. A bill for the relief of Josephine Pencak Pipala, nee Jozefa Pencak; to the Committee on Immigration and Naturalization.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8086. By Mr. DEROUEN: Petition of the Review Club, Lake Charles, La., condemning the recent smear campaign directed at Hon. J. Edgar Hoover, Chief, Federal Bureau of Investigation, Department of Justice, and opposing wholesale

circulation and distribution of communistic and other alien propaganda in Congress and throughout the United States; to the Special Committee to Investigate Un-American Activities.

8087. By Mr. JOHNSON of Illinois: Petition of 16 signers, urging passage of the Hatch clean politics bill; to the Committee on the Judiciary.

8088. Also, petition of 10 residents of the city of Monmouth, Ill., fourteenth district, urging passage of the Hatch clean politics bill; to the Committee on the Judiciary.

8089. By Mr. KEOGH: Petition of the Chamber of Commerce of the State of New York, opposing chain-store tax legislation; to the Committee on Interstate and Foreign Commerce.

8090. Also, petition of the Chamber of Commerce of the State of New York concerning cotton allotment certificates; to the Committee on Agriculture.

8091. Also, petition of the Building and Construction Trades Council, New York City, concerning prosecutions of labor under the Sherman antitrust law; to the Committee on Labor.

8092. Also, petition of Cleaners, Dyers, Pressers, Drivers, and Allied Trade Union, Local 239, New York City, opposing all amendments to the National Labor Relations Act; to the Committee on Labor.

8093. Also, petition of the Empire Typographical Conference, New York City, opposing any amendments to the wage and hour law; to the Committee on Labor.

8094. Also, petition of the general grievance committee, Brotherhood of Locomotive Firemen and Trainmen, Philadelphia, Pa., favoring recommitting of the conference report, Senate bill 2009; to the Committee on Interstate and Foreign Commerce.

8095. Also, petition of the United Marine Division, Local 333, International Longshoremen's Association, New York City, favoring recommitment of the conference report on transportation bill (S. 2009); to the Committee on Interstate and Foreign Commerce.

8096. By Mr. PFEIFER: Petition of the general grievance committee, Brotherhood of Locomotive Firemen and Enginemen, Philadelphia, Pa., concerning the transportation bill (S. 2009); to the Committee on Interstate and Foreign Commerce.

8097. Also, petition of the Central Trades Labor Council of Greater New York, concerning the transportation bill (S. 2009); to the Committee on Interstate and Foreign Commerce.

8098. Also, petition of the United Marine Division, Local 333, International Longshoremen's Association, New York City, concerning the transportation bill (S. 2009); to the Committee on Interstate and Foreign Commerce.

8099. By Mr. SPRINGER: Resolution of Local No. 855, International Brotherhood of Electrical Workers, Muncie, Ind., urging support of Senate bill 591; to the Committee on Banking and Currency.

8100. By Mr. THOMASON: Petition of the El Paso Chamber of Commerce, urging passage new relief bill that will require Work Projects Administration to do its construction work under the contract system; to the Committee on Appropriations.

8101. Also, petition of residents of Fort Davis and Valentine, Tex., protesting against the adoption of any amendment to the social-security appropriation bill the provisions of which will cover employees of religious and educational institutions; to the Committee on Appropriations.

8102. By the SPEAKER: Petition of the Alabama State Federation of Labor, Birmingham, Ala., petitioning consideration of their resolution with reference to Senate bill 591, United States Housing Authority program; to the Committee on Banking and Currency.

8103. Also, petition of Branch 3111, International Workers Order, Grand Rapids, Mich., petitioning consideration of their resolution with reference to violations of the Bill of Rights; to the Committee on Rules.

8104. Also, petition of Jack B. Smith, president, American Institute of Architects, Alabama Chapter, petitioning consid-

eration of their resolution with reference to the United States Housing Authority program; to the Committee on Banking and Currency.

8105. Also, petition of the Los Angeles Industrial Union Council, Congress of Industrial Organizations, Los Angeles, Calif., petitioning consideration of their resolution with reference to the Dies committee; to the Committee on Rules.

8106. Also, petition of Branch 79, International Workers Order, petitioning consideration of their resolution with reference to the Dies committee; to the Committee on Rules.

8107. Also, petition of Lake County (Ind.) School Employees Local 123, Hammond, Ind., petitioning consideration of their resolution with reference to Senate bill 591, United States Housing Authority program; to the Committee on Banking and Currency.

8108. Also, petition of Local 18, United Retail and Wholesale Employees of America, Philadelphia, Pa., petitioning consideration of their resolution with reference to the so-called antialien bills; to the Committee on Immigration and Naturalization.

8109. Also, petition of the Wood Preserving Employees, Union Local No. 20493, Terre Haute, Ind., petitioning consideration of their resolution with reference to Senate bill 591, United States Housing Authority program; to the Committee on Banking and Currency.

8110. Also, petition of the Distillery Workers' Union No. 20418, petitioning consideration of their resolution with reference to Senate bill 591, United States Housing Authority program; to the Committee on Banking and Currency.

8111. Also, petition of the International Hod Carriers' Building and Common Laborers' Union of America, Galveston, Tex., petitioning consideration of their resolution with reference to Senate bill 591, United States Housing Authority program; to the Committee on Banking and Currency.

8112. Also, petition of the International Workers' Order, Branch No. 614, Yukon, Pa., petitioning consideration of their resolution with reference to the Bill of Rights; to the Committee on Rules.

8113. Also, petition of the United Retail Shoe Employees, Local No. 114, Philadelphia, Pa., petitioning consideration of their resolution with reference to the United States Housing Authority program; to the Committee on Banking and Currency.

8114. Also, petition of the Labor Department, Local No. 12, United Federal Workers of America, Washington, D. C., petitioning consideration of their resolution with reference to Senate bill 3859, concerning Federal employees; to the Committee on the Civil Service.

8115. Also, petition of Peter Turk, Perth Amboy, N. J. (Hungarian Section, Branch No. 1010), petitioning consideration of their resolution with reference to the Dies committee; to the Committee on Rules.

8116. Also, petition of the Cherneshevsky Club, New York, petitioning consideration of their resolution with reference to the Bill of Rights; to the Committee on Rules.

SENATE

WEDNESDAY, MAY 8, 1940

(Legislative day of Wednesday, April 24, 1940)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Z. Barney T. Phillips, D. D., offered the following prayer:

Almighty God, our Heavenly Father, as we enter the Holy of Holies through the sanctuary of prayer, fill us with the spirit of reverence and awe, and fix our minds on things eternal, that we may learn how dear we are to Thee, as Thou settest our feet upon the rock of Thy favor. Encourage in our hearts this day every good intent; cleanse our consciences, and stir our wills, that we may gladly serve the living God, who dost carry us from strength to strength.

Leave in us, dear Lord, no room for spiritual wickedness, no lurking place for secret sins, but so establish and sanctify

us by Thy power that we give heed only to that which is right and, speaking the truth in love, may keep ourselves close to the lives of the great body of men, and, sharing alike their joys and sorrows, may follow in the steps of Him who made this world's ills His own, even Jesus Christ, our Lord. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day of Tuesday, May 7, 1940, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Latta, one of his secretaries.

CALL OF THE ROLL

Mr. BARKLEY. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Davis	Lodge	Sheppard
Ashurst	Donahay	Lucas	Shipstead
Austin	Downey	Lundeen	Slatery
Bailey	Ellender	McCarran	Smathers
Bankhead	Frazier	McKellar	Smith
Barbour	Gerry	McNary	Stewart
Barkley	Gillette	Maloney	Taft
Bilbo	Glass	Mead	Thomas, Idaho
Bone	Guffey	Miller	Thomas, Okla.
Brown	Gurney	Minton	Thomas, Utah
Bulow	Hale	Murray	Townsend
Burke	Harrison	Norris	Tydings
Byrd	Hatch	Nye	Vandenberg
Byrnes	Hayden	O'Mahoney	Van Nuys
Capper	Herring	Overton	Wagner
Caraway	Holman	Pittman	Walsh
Chandler	Hughes	Radcliffe	Wheeler
Chavez	Johnson, Calif.	Reed	White
Clark, Idaho	Johnson, Colo.	Reynolds	Wiley
Clark, Mo.	King	Russell	
Connally	La Follette	Schwartz	
Danaher	Lee	Schwellenbach	

Mr. MINTON. I announce that the Senator from Georgia [Mr. GEORGE] is absent from the Senate because of illness.

The Senator from Rhode Island [Mr. GREEN] is unavoidably detained.

The Senator from Alabama [Mr. HILL], the Senators from Florida [Mr. ANDREWS and Mr. PEPPER], the Senators from West Virginia [Mr. HOLT and Mr. NEELY], and the Senator from Missouri [Mr. TRUMAN] are necessarily absent.

Mr. AUSTIN. I announce that my colleague the junior Senator from Vermont [Mr. GIBSON] and the Senators from New Hampshire [Mr. BRIDGES and Mr. TOBEY] are necessarily absent.

The VICE PRESIDENT. Eighty-five Senators have answered to their names. A quorum is present.

REVISED REPORT ON LOGAN-WALTER BILL—SETTLEMENT OF DISPUTES WITH UNITED STATES

The VICE PRESIDENT laid before the Senate a letter from the Secretary of Agriculture, transmitting a revised report relative to the bill (S. 915) to provide for the more expeditious settlement of disputes with the United States, and for other purposes, which, with the accompanying report, was referred to the Committee on the Judiciary.

PETITIONS

The VICE PRESIDENT laid before the Senate a resolution of the Pasadena (Calif.) Branch of the National Woman's Party, favoring the prompt adoption of the so-called equal-rights amendment to the Constitution, which was referred to the Committee on the Judiciary.

He also laid before the Senate the petition of the city of Seward, Alaska, signed by the mayor thereof, praying for a congressional investigation of the entire Alaska Railroad situation, together with the Matanuska Farm Colony in the Territory of Alaska, which was referred to the Committee on Territories and Insular Affairs.

REPORTS OF COMMITTEES

Mr. WHEELER from the Committee on Interstate Commerce, to which was referred the resolution (S. Res. 259)